THE WORLD'S FIRST AIR CARGO MAGAZINE—NOW IN ITS 20TH YEAR

AIR TRANSPORTATION

DECEMBER • 1961

The Air Magazine for The Modern Shipper and Marketing Executive

Vol. 39 No. 6

A Merry Christmas and a Happy New Year

Air France carries cargo to more cities in more countries than any other airline in the world. To be exact, 220 cities in 76 countries. Flight connections at key points are ideal, so cargo moves with all possible speed. And we give any size, any shape, any weight product the same kid-glove treatment from the time it leaves the U.S.A. . . . to its final destination anywhere in the world. That's why you can be sure your cargo will arrive in tiptop shape. Air France Cargo rates? As much as 65% lower. Same low insurance rates, too. Why not fly it swift, sure, safe . . . call your Cargo Agent, Air Freight Forwarder or Air France.

AIR FRANCE CARGO

WORLD WIDE CARGO SERVICE / WORLD'S LARGEST AIRLINE

From The Readers

The airlines may not, but I personally believed you have rendered them a sorely needed service in your article, *Fettered Giant*, which appears in your September issue.

I should like to emphasize that while any favorable comments I might make might be considered somewhat biased, as an intensive reader, I must, out of sheer admiration, congratulate you for this thoroughly factual and well-written piece. Even without the quotes, *Fettered Giant* ought to be compulsory reading for all airline executives.

R. J. Graulich
Traffic Manager
Time-Life International
New York, N. Y.

* * *

I was very interested in your article, *Fettered Giant*, in the September issue of *Air Transportation*.

Although I agree there is still a long way to go, I feel you will agree that BEA's record over the past 12 months showing an average of 17¼ tons per day of newspapers, magazines and periodicals, is not too discreditable effort.

G. Pett
Cargo Sales Manager
British European Airways
London, England

* * *

Your article on the air potential in international distribution of newspapers and magazines is one of the most thoughtful and thoroughgoing analyses I have ever seen on the interrelation of rate and volume in the air freight industry. *Fettered Giant* should make all of us in the airline industry stop and think about the publications market—and others of large potential.

You may know that Seaboard World Airlines has made an application to the Civil Aeronautics Board regarding magazines and other publications that now travel by military mail services. To date we have not had a reply from the CAB, but we are hopeful that we will receive approval, because it appears to us that shipment by air of magazines to troops overseas will benefit morale considerably because of the time factor involved.

Another advantage, from our point of view, of carrying publications by air, is that as an all-cargo carrier, Seaboard World Airlines has no problem in offloading cargo because of passenger loads. This fact was referred to in your article.

Many thanks to you, Dick, for another wonderful article in *Air Trannsportation Magazine*, and for the new progressive ideas you are constantly giving us.

John H. Mahoney
Senior Vice President-Sales
Seaboard World Airlines
Jamaica, New York

* * *

Your article (in the September issue) incorporating illustrations of both overall use of the AirPak equipment and the close-up of the bearings and the retaining device at the hatch edge, really covers the subject in topflight form.

I want you to know that we are extremely pleased with the article and, as always, with *Air Transportation*.

H. B. Miller
Director of Public Relations
Pan American World Airways
New York, N. Y.

* * *

I enjoy your magazine every month, and especially liked the article by Mr. G. J. Werner of Motorola. I am traffic manager for a sizable flour manufacturer, and thought Mr. Werner's article was well-taken.

C. W. Tinsley
Chester, Ill.

Mr. Werner's article, This Is Your Traffic Department, *was featured in the November issue.—Editor.*

* * *

I would like to keep the records straight, and advise you that Northeast Airlines provided the first jet flights, nonstop, into Fort Lauderdale, Florida, in January of 1961.

In your November issue, on Page 29, you stated that Eastern inaugurated the first nonstop jet flights into Fort Lauderdale. Other than this, this issue, as all other issues, is excellent.

Peter F. Winkler
District Cargo Sales Manager
Northeast Airlines
New York, N. Y.

THE recent decision of the Rt. Hon. Peter Thorneycroft, Aviation Minister, has upset the ambitious plans of Cunard Eagle Airways to operate a north Atlantic service in competition with British Overseas Airways Corp., Britain's sole flag carrier on this route (*August 1961 AT; Page 4*). The Minister ruled in favor of BOAC's appeal, thus killing Cunard Eagle's plan to inaugurate London-New York operations in May of next year.

It was the contention of BOAC that Cunard Eagle's forecasts of traffic potential on the North Atlantic run were overly rosy. BOAC, like the other North Atlantic air carriers, are feeling the pinch of a flattening rate of growth.

* * *

British European Airways recently dropped its 25% holding in Jersey Airlines to "avoid the possibility of any conflict of interest inherent in a shareholder being also a competitor."

* * *

Shippers have become aware of a new weekly service by Sierra Leone Airways which connects London with Lagos, via Freetown. A *Britannia* propjet is flown on this run.

* * *

As has been predicted, BOAC's ownership of British West Indian Airways has been transferred to the Government of Trinidad. BOAC will continue to hold a small interest (10%) in BWIA, as well as a seat on its board of directors.

* * *

Evil days having fallen on the independent, Pegasus Airlines, it has ceased operations. Organized three years ago, the carrier unsuccessively sought licensing by the British Government. In addition to operating charter services, Pegasus maintained scheduled flights between Gatwick and Blackpool.

* * *

Now that Luton Airport has a 5,532-foot runway, KLM has designated it as its primary alternate for London (Heathrow) Airport, replacing Southend Airport. There are good road connections between Luton and London, a valuable consideration when one takes into account the bothersome increase in traffic at Southend.

* * *

A joint announcement by Air Ceylon and BOAC revealed that the two companies will operate under a pool agreement, starting next April. A BOAC *Comet 4* jet bearing the Air Ceylon insignia will fly weekly between London-Colombo and Colombo-Singapore.

* * *

The cargo charter market appears to be somewhat in the doldrums. Most charter enquiries reported involve the transport of ships' crews. It is understood that the cessation of operations of certain of the independent airlines has created a certain amount of difficulty for charterers and their representatives.

Lambert Brothers, Ltd. points out that "groups other than ships' crews, who have been endeavoring to secure aircraft at utterly unrealistic rates, are beginning to be faced with the fact that cargo is a much more economical proposition from the carriers' point of view and are having to revise their rate ideas."

* * *

The bi-lateral agreement between the United Kingdom and Italy has been modified and extended another five years. The most important result of this new pact is the establishment of new route schedules.

* * *

Expectations are that Britain's exports of airplane engines will set a new all-time record this year. Final figures have not been compiled. The first 10 months, however, show that a total of £70.5 million ($197.4 million) was earned abroad, which is only £3.2 million ($8.96 million) away from last year's high mark.

* * *

Manchester last month was the destination point of 16,484 pounds of electric stove parts airlifted to this industrial city in a BOAC DC-7F. The shipment, which originated in Cleveland and was flown to the New York gateway by United Air Lines, was a record for a single consignment transported by air out of the Ohio city. The exporter was the Tappan Stove Company; the importer, John Thompson Instruments, Ltd., of Wolverhampton, which assembles and markets the stoves under the Thompson-Tappan trademark.

AIR TRANSPORTATION
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DOMESTIC . . . INTERNATIONAL AIR CARGO

VOL. 39 DECEMBER, 1961 No. 6

Newspaper, Mail Cargoes Reduce Passenger Fares

British European Airways has reversed the procedure. Its new low passenger fares on the London-Glasgow-Edinburgh and London-Belfast routes (2.33¢ per mile, which are lower than rail fares on these runs) are, in effect, subsidized by the carriage of large volumes of newspapers and mail.

The *Vanguards* flying these routes haul an average of three tons of newspapers and 2½ tons of mail per flight, the *Viscounts*, two tons of mail and more than half a ton of newspapers.

On the northbound run to Glasgow, the 113-passenger *Vanguard* is restricted to 60 passengers; southbound, with three tons of mail aboard but no dailies, the passenger limit is a little under 100. On the London-Belfast route, a *Viscount* will transport only 26 to 36 passengers in both directions, raising the limit to 58 on Sundays.

Among the papers hauled are *The Times, Daily Telegraph, Financial Times, Sporting Life, Lloyds List,* and the *Polish Daily.*

Wieland Succeeds Baker As National's President

Shortly after the board of directors of National Airlines elected G. T. Baker as president and chairman of the company he founded 27 years ago, he resigned the former office in favor of Robert E. Wieland. The Miami-based airline's new president, who has been with the carrier for a quarter-century, had last served as vice president for the Northern Region. Wieland also was elected to the NAL board, succeeding George W. Gibbs, Jr., who has resigned.

Baker, who in 1955 won the Variety Club of Greater Miami's Good Samaritan Award, was named in 1959 Dade County's Aviation Man of the Year.

Baker Wieland

New executive line-up

Domestic Rate Filings Bring Many Reactions (Mostly Negative)

Ever since September 15, when the Flying Tiger Line, the nation's only transcontinental all-cargo air carrier, filed its new low tariff, the channels of communication between the direct and indirect air carriers and the Civil Aeronautics Board have been unusually active. Nor are kind words for the others' ideas on what cargo rates ought to be like in evidence these days. Although the Board approved Tiger's so-called "Jet Age tariff," subsequent actions found the Government body holding its collective thumb pointed downward.

Not all the new rate filings are due to the Tiger tariff action, of course. But it is safe to say that the question of East-West rates occupies the minds of most shippers at the present time. In the same arena with Tiger, but hardly sympathetic with the latter's tariff philosophy, are American Airlines, Trans World Airlines, and United Air Lines.

With regard to the swelling tariff-structure debate, the following is a reasonable chronology of events:

1. Tiger filed its controversial tariff, making the effective date October 16.
2. It was closely followed by the filings of American and United, with the effective date October 23.
3. TWA held out until two days after Tiger's tariff went into effect, then filed its own. November 17 was the target date.
4. On October 20, the CAB suspended the American and United tariff proposals and ordered an investigation of their concepts of a rate structure. Effective date of their tariffs was deferred until January 20. Listed as opposing the American and United tariffs were Tiger, Airborne Freight Corp, WTC Air Freight, and 10 other indirect air carriers voicing their opinions through the Air Freight Forwarders Association. Later, TWA's tariff was struck down.
5. Between November 6 and 17, Airborne Freight Corp. submitted to the CAB two additional briefs, plus a supplement to one of these, complaining against certain new commodity rates planned by Tiger, effective November 23 and 26.
6. American lashed out in two directions. It requested the Board to suspend Tiger's rates because they were based on an aircraft (the CL-44) which would not be in operation until the following spring. American also asked the Board to suspend and investigate TWA's tariff revision.
7. The Board, on November 22, suspended Tiger's proposed commodity rates, the order running to February 20, 1962, pending investigation.
8. On November 24, Tiger hit out at commodity rates which American and TWA had filed two weeks earlier. It requested a CAB suspension and investigation order.

In other actions during recent weeks, the Board:

1. Suspended for investigation a number of reduced rates for shipments flown between Chicago and Los Angeles, proposed by Continental Air Lines (*November 1961 AT; Page 30*).
2. Rejected Delta Air Lines' proposed door-to-door rates (***October 1961 AT; Page 123***).
3. Received from Riddle Airlines a request to suspend for investigation newspaper-shipping rates proposed by Allied Air Freight, Inc.

The tariff of the Flying Tiger Line reportedly is the result of two years' "intensive research and study." It is designed to set up a flexible structure "geared to the actual cost of transportation," one which will enable shippers to move from the utilization of air freight as an emergency measure to its use on a normal basis.

Hundreds of rates on many commodities have been lowered, ranging from 18¢ per ton-mile. Some rates have been cut as Commodities have been divided into much as 40%.

Atlantic Freight Volume Leaped in Third Quarter

Air freight shipments moving in both directions over the North Atlantic in the July-September period, rose 42.9% over the total for the similar period of the year before.

The scheduled airline members of the International Air Transport Association hauled 16,668,598 kilograms (36,747,591 pounds) in the third quarter. The record was produced as folllows:

Eastbound Kilos

Flights	July	August	September
Passenger	1,407,006	2,076,848	1,658,610
All-Cargo	1,174,103	1,458,981	1,441,695
Total	2,581,109	3,535,829	3,100,305

Westbound Kilos

Flights	July	August	September
Passenger	1,553,738	1,422,308	1,783,314
All-Cargo	766,795	828,726	1,096,474
Total	2,320,533	2,251,034	2,879,788

The above figures cover scheduled freight only, and do not include shipments carried on charter flights.

seven classes, based on density (weight per cubic foot), with higher density earning lower rates. Rates are based on mileage between pairs of points. There is but one weight breakpoint—at 5,000 pounds.

Several weeks after the Tiger tariff went into effect, John L. Higgins, vice president-sales announced that it had reversed a downward trend for the airline. He said that while it was still premature to make any firm statements, experience gained in the first few weeks under the new tariff generated the belief that the airline is "getting increased volume not only from established air freight shippers, but from shippers who previously have been primarily users of surface freight."

Tiger is the sole domestic purchaser of the new Canadian CL-44 propjet swing-tail freighter. The airline's acquisition of a fleet of these 400-mile-per-hour, 65,000-pound payload aircraft prompted the study which led to its tariff proposal.

American Airlines, which is the nation's largest carrier of domestic air freight, has taken a far different approach in designing its tariff proposal. It would scrap all differences in rates, and put into effect a single charge for nearly all commodities.

With the accent on simplification, American has gone a step further. It would offer shippers a 25% discount on long-haul shipments received between 9 a.m. and 3 p.m. These are traditionally the slack periods of the shipping day.

The proposed single-rate tariff, American pointed out, would produce rates that are lower in some instances and lower in other cases. On an overall basis, it is expected to return "revenue to the airline equivalent to that produced by the same volume under today's tariff."

G. Marion Sadler, American's vice president and general manager, recently said it is the company's conviction that "air freight tariffs must reflect the streamlining, simplicity and efficiency that are synonymous with the Jet Age." The airline, he added, spent 18 months devising its simplified tariff.

"Pages and pages of specific commodity descriptions found in surface tariffs and to a lesser degree in existing airline tariffs are done away with," Sadler asserted. "The rate from one specific city to another for almost all products is identical. Volume discounts are provided, beginning at 1,000 pounds, and pick-up and delivery service still is available."

TWA's new tariff offered rate reductions climbing to 47% under previous rates. Samuel C. Dunlap, vice president-cargo sales and market development, explained that it was the intention of the airline to bring a greater number of commodities under a single rate scale. Rates and volume weight breaks applied between important markets. Weight breaks were set at 1,000, 2,000, 3,000, 5,000, and 10,000 pounds. Additionally, TWA, like American and United, inserted an off-peak rate into its tariff. It was destined to receive the same treatment at the hands of the Board as did American and United.

The Board, in tackling the American and United tariff proposals, drew the situation as follows:

"American's basic proposals consist of three parts. First, general commodity rates are proposed at six weight-break points from 100 to 10,000 pounds and are to apply to all commodities other than perishables and those now carrying premium rates. The proposed rates are lower eastbound, and are based on a declining yield per mile as distance increases. Volume spreads between the rate for 100-pound shipments and the rate for larger shipments are increased significantly over those now available. For shipments of 100 pounds and over, the proposed rates typically represent reductions below current westbound rates for the medium and longer hauls, but increases for the shorter hauls. The eastbound rates represent increases for the bulk of the traffic movement, but are below some current rates in the medium and longer haul markets. Second, off-peak rates are proposed in major markets for shipments tendered to the carrier at the airport between the hours of 9:00 a.m. and 3:00 p.m. of the same day and to be handled on a space-available basis. The off-peak rates are approximately at the level of the current rates for deferred service which is being canceled, are at the same level in both directions, and are typically more than 40% below the proposed westbound general commodity rates for 100 pound shipments and 25% below such eastbound rates. The volume spreads are fewer and smaller than for the proposed general commodity rates. Third, rates for perishable commodities, flowers and other perishables, are maintained at the current respective levels for 100-pound shipments; however, the rates for larger shipments are reduced, resulting in volume spreads equal to those proposed in the general commodity rate structure.


DC-7CF
RIDDLE
N301G
LOGAIR
RIDDLE
RIDDLE airlines inc.
RIDDLE
RIDDLE

"United's basic proposal consists of establishing two new commodity groups. Group 565 covers generally westbound movements and is in substitution for all specific commodity rates now offered by the carrier in this direction. Group 555 applies generally in the eastbound direction and is in substitution for all commodity rates applying in this direction other than for perishables and for Group 37 which is retained at present rates but expanded to include additional commodities and redesignated Group 35 in most markets.

"Rates for Groups 555 and 565 are at the same level in both directions, and are (at the 100- and 5,000-pound weight breaks) equal to the class 5 rates recently adopted by Flying Tiger. Class 5 is Tiger's lowest rated class, covering commodities with the highest density and yields 13.7¢ per ton-mile for 100-pound shipments. United also proposes to publish rates for these two commodity groups at intermediate weight break points of 1,000, 2,000, and 3,000 pounds. These rates are below Ti-

(Continued on Page 35)

Four-Airline Deal Is Off "For the Present"

"For the present," at least, the deal to merge Mohawk Airlines with Northeast Airlines, and for Eastern Air Lines and National Airlines to take over Northeast's Boston-New York-Florida routes, has been dropped *(November 1961 AT; Page 8)*. The reason given is that matters, "under existing circumstances," cannot be resolved.

Varig's Absorption Of REAL Ends First Phase

A recent announcement by Mauricio Soares, United States general manager for Varig Airlines, stated that "the first phase of integrating Real Airlines into the International Division of Brazil's Varig Airlines has been completed." Real's offices in New York, Chicago, Washington, D. C., and San Francisco have been closed, while those in the new gateway cities of Miami and Los Angeles have been occupied. A new office has been established in Lima to coordinate with Varig's international expansion.

RIPSA Names N.Y. Agent

The Peruvian air carrier, Rutas Internacionales Peruanas, S. A. (RIPSA), has appointed Miami Gateway Corp., 30 Church Street, New York, as its general cargo agent in the metropolitan New York area. This month, RIPSA will inaugurate an all-cargo service between Miami and Lima, via Panama City. The well-known air cargo sales figure, Robert C. Lord, heads Miami Gateway as president.

Lord
Represents RIPSA

Intra-Europe Airlines Again Report Advances

The 13 scheduled intra-European air carrier members of the Air Research Bureau have reported an increase of 12.8% in the volume of freight hauled in the second quarter of 1961, as compared with April-June, 1960. The total reported for the period is 37,596,000 kilograms (82,711,200 pounds). When the results of the first quarter were reported, a volume gain of 12.1% over the same period of last year was noted.

Freight ton-kilometers reached 22,684,-000, a jump of 10.4%.

The data cover the operations of Aer Lingus, Air France, Alitalia, BEA, BOAC, Finnair, Iberia, Icelandic, KLM, Lufthansa, SAS, Sabena, and Swissair.

TWA Wins Clearance Of Goods for Europe in L.A.

The United States Bureau of Customs has granted approval to a Trans World Airlines request that air exports moving from Southern California on through flights to Europe be permitted customs clearance in Los Angeles. This eliminates the need for clearance at the New York gateway. The procedure already is in effect. TWA operates four all-cargo flights per week to Europe, originating in Los Angeles.

In short...

THE ERA OF SUPERSONIC air freight transportation draws nearer. Latest move in this direction was the Federal Aviation Agency's request to the United States Air Force to contract with private industry for research services, aimed at hastening the development of a 2,000-mile-an-hour commercial airliner. The FAA calls this "the next major step in air transportation" . . . Meanwhile, the military and the airlines reportedly are far from seeing eye to eye on the design of a jet cargoplane. The Air Force expects to receive its first jet-freighter in about 3½ years. The airlines, however, are not buying the suggested modifications for commercial application--nor are the military going along with the air carriers' specifications.

•

LAST MONTH A PAN AM passenger jet set a new record for cargo when a northbound flight from Panama landed at Miami with 19,215 pounds aboard, with almost a full load of passengers. . .RANSA also had a new record to report. This involved the shipment of more than 30,000 live plants, weighing over 37,000 pounds, flown from Miami to Curacao. A DC-6A and a C-46 were needed to complete the transport job.

•

CONTINENTAL AIR LINES' director of cargo sales, O. Lee Slay, declares that the carrier's dramatic increase in air freight volume in 1961 has been due to lower rates approved early this year by the CAB. Ton-mileage is up 40% for the first 11 months, as compared with the same period in 1960. . .REA Express is sporting a new symbol. It is a large white X in a red diamond, with the letters REA superimposed. The symbol will be plugged throughout the country and overseas.

•

TRANS CARIBBEAN AIRWAYS, which last month took delivery of its first DC-8 turbofan jetliner, has ordered a second one from Douglas. The New York-based air carrier expects to have the second jet in time to place it in its service to San Juan, Aruba, and the Virgin Islands by the summer of 1962. . .It is not true that the three Mexican airlines, Aeronaves, Guest, and Mexicana, will merge. The report, published in another periodical, apparently stemmed from a misinterpreted suggestion by the Mexican Government to pool the carriers' aircraft.

•

RIDDLE AIRLINES has applied to the CAB for authority to provide all-cargo service to Los Angeles, San Francisco, Oklahoma City, Atlanta, and Orlando. More on this in the next issue . . . Fifteen airlines have won contracts totaling $4.4 million for the carriage of military cargo and passengers during November, December, and January. Of the certificated airlines in this group are Flying Tiger, Riddle, Seaboard, Pan Am, and TWA. Largest single contract was awarded to Flying Tiger (over $2 million).

In fact...

IATA'S DECISION NOT TO GO THROUGH with its planned Air Cargo Symposium at Lucerne next April is a bitter disappointment to more than a few. According to the original announcement published in the September issue, experts of airlines, manufacturers, and others were expected to participate. It was known that other facets of the industry--forwarding agents and major shippers--had been planning to be on the scene when the symposium convened, presumably to advance certain ideas of their own with regard to generating new freight volume which the international air carriers sorely need. IATA, in its succinct announcement that "detailed studies of an agenda for the event have indicated that the subject does not lend itself to the kind of symposium treatment which was originally planned," speaks rather vaguely. If the "symposium treatment" is not feasible, certainly another kind of treatment is worth considering.

•

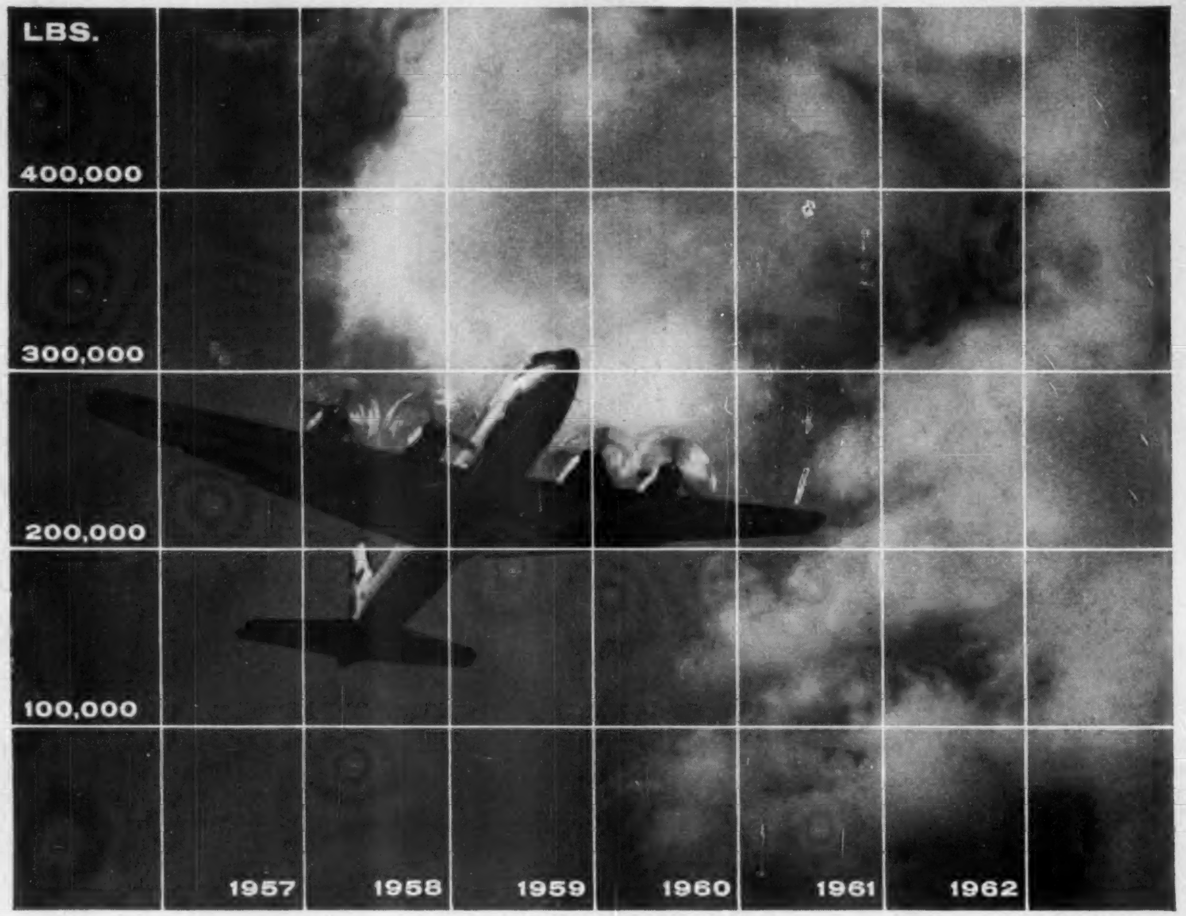
RENAULT, THE FRENCH AUTOMOTIVE MANUFACTURER, admits that it had a rather rough year in the United States market in 1961, but it is bursting with optimism with regard to 1962. What does it expect to achieve during the coming year? At least 15% of this country's auto imports, is the answer. Which, judging from Renault's past record, will be just fine for the North Atlantic air freight picture. The firm has increased the number of its models to four, strengthened its dealer organization, and (an important development) improved its servicing setup. Renault says it is now in a position to compete at all levels of the economy market. All of which underlie the French auto maker's cheerful outlook. Renault's reliance on air exportation was one of the big items of industry news a couple of years ago.

•

FOR A WHILE THERE WAS CONSIDERABLE TALK about the imminence of a New York-Moscow air service operated by the Russian airline, Aeroflot, and Pan Am. This has simmered down to a point where, for the time being at least, it represents one of the half-forgotten items. Now we hear that another Iron Curtain country is proposing a similar service which would link its own capital with New York. It is Poland, whose LOT is the national carrier and would operate this service. Jan Krzywicki, LOT president, who expressed the desire to see a direct Warsaw-New York air service, probably is sending up trial balloons for the Gomulka Government. Poland has no landing rights in the United States. At the present time, LOT is strictly an intra-European carrier.

•

NEWLY RECEIVED STATISTICS indicate that the fabulous boom in Western Europe is starting to settle down. This does not mean a recession, but a general return to a normal level of prosperity, it is said. The textile and automotive industries are operating below capacity. European air freight leaders remain confident, however. They insist that westbound air exports will continue their gains, and, possibly, more concentrated competition among producers will force a closer look at the economic advantages of moving to market by air.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Traffic Management's New Stature In the Jet Age

By E. C. TAYLOR

Vice President — Cargo Sales and Services

American Airlines

THE traffic executive's influence can be great. Basically, he is the vital link between production and marketing. His decisions and recommendations touch many aspects of both, and in the final analysis, he substantially influences the profit or loss of his enterprise.

There are many forces at work every day which affect how a company should distribute its products. Let me enumerate a few quickly which are important to the traffic executive's influence on distribution in the Sixties:

▸ *Population:* In 1957, there were 171 million Americans. By 1967, our population will total about 199 million and, in addition to these increases, there is a basic shift in the center of population to the Southwest which averages 2½ miles annually.

▸ *Gross National Product:* Here we find a unique correlation between intercity ton-miles of transportation and the level of GNP. In 1957, GNP was $454 billion. A GNP of about $600 billion is expected by 1967. In ton-miles, the magnitude of growth is from about 1,300 billion to 2,083 billion ton-miles.

▸ *Increased Costs:* Taking 1947 as an index of 100, here are the increases registered last year by a few principal cost factors:

Labor	up 166.9%
Taxes:	
East Coast	up 154%
West Coast	up 141%
Transportation:	
Rail	up 127.3%
Truck	up 134.7%
Air	down to 95.8%

▸ *Shrinking Margins:* In April, 1961, The First National Bank's *Monthly Newsletter* revealed that a survey of 2,024 total manufacturing corporations for the years 1959 and 1960 showed a profit margin decrease of 4%, 1960 over 1959.

Now to be more specific about the traffic executive's opportunity for influence, there are three elements that I think are of major concern to most businesses:

1. How to increase sales with minimum additional costs.

2. How to reduce costs of acquiring and possessing inventory.

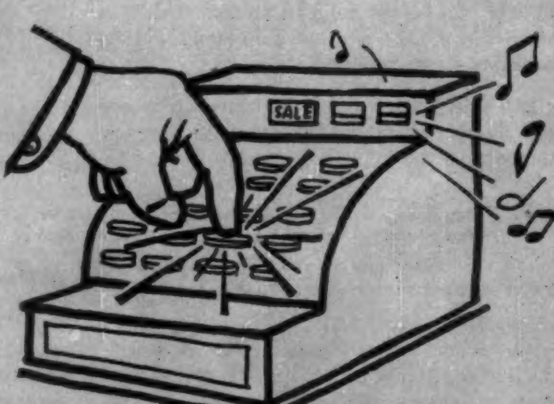
3. How to improve customer service.

It is within the boundaries of those three elements that the traffic executive's opportunity for greatest contribution exists. They are in turn influenced by a new dimension of transportation speed. Essentially, it is a more comprehensive understanding and application of such speed values that define what we know today as applied air distribution. Ten years ago, the subject was virtually relegated to academic exercise. In the past five years, it has received increased attention from business. In the past two years, significant breakthroughs have been made by numerous corporations.

Unique in this overall development

GOAL 1

MORE SALES WITH MINIMUM ADDITIONAL COSTS



was the traffic executive's role as the chief catalyst for achieving the best balance in total company distribution. At this point, let me assure my surface transport colleagues that this by no means overlooked the practical advantages of surface transport when used in concert with the maximum benefits of air transport speed.

Air distribution can and is providing lower total company costs and, at the same time, acting as a new effective marketing tool. Prior to this concept, the traffic executive was frequently restricted to one principal method of contributing to profit—that of reducing distribution costs through the simple but effective expedient of securing or selecting low freight rates.

As most of my readers already know, the cost of transportation is only one of the ingredients important to the best distribution decision. As I mentioned earlier, inventory costs divide into two major categories:

(a) Possession.

(b) Acquisition.

The traffic executive's objective should be to obtain the lowest possible combination of both sets of costs. For example, under *Acquisition*, one frequently groups traffic, freight, and in-and-out charges. Under *Possession* — brick and mortar, capital investment, inventory, taxes, insurance, labor and utilities. Now, on a total basis, distribution represents, depending on the company, somewhere between 40% and 60% of the total consumer sales dollar.

Digressing to the production side for a moment, much improvement has been shown here over the last 10 years, when production efficiency increased at the annual rate of 2.6%. For the same period, distribution's increase in efficiency was only 1.1%.

What can traffic management do about it?

In my company, we have frequently defined the United States in the 1960s as five hours wide and 2½ hours deep, a new, comprehensive and exciting marketing dimension. As a case in point, my own company serves nine out of the top 10 retail markets, and 23 out of the top 30. Now, here are some of the functional areas of business which benefit from such increases in speed:

▶ *Marketing*—which constantly seeks to increase sales by improving service and penetrating new markets.

▶ *Purchasing*—always alert for a plan which will run the business more efficiently with a lower shelf stock position and reduced order lead times.

▶ *Manufacturing*—what works manager would not be happier if his production lines could operate more efficiently with less line-loading or material floats?

▶ *Finance*—with the controller constantly seeking ways to reduce the cost bite taken from the revenue dollar and improving the cash flow from fewer dollars tied up in idle finished goods.

In the conduct of our distribution consultant service, we have worked closely with many organizations to help them turn a better profit by getting the most from such opportunities as I have just recited. For example, we have found that:

1. Many companies are not aware of their various distribution costs and that, before any significant analysis can be made, it is necessary to develop such cost figures.

2. A distribution study must be made in depth sufficient to allow management to make meaningful decisions.

3. One cannot generalize about distribution studies. What is good for one company is not necessarily good for another; neither should he lump all of a company's products together and talk in terms of averages.

4. And that, regardless of the outcome, once cost information is available, it will help traffic management:

(a) to determine the kinds and amounts of expenses incurred in each separate marketing activity;

(b) to evaluate methods, policies and operating procedures;

(c) to determine the marketing costs and profitability of a company's various products;

(d) to determine the relationship between cost and order size.

Of course, it is wrong for anybody in the business of air transportation to promote the idea that air freight is a panacea. It is not. However, as the reader mentally considers his own company, I will make a few generalizations

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GOAL 2

REDUCED INVENTORY COSTS

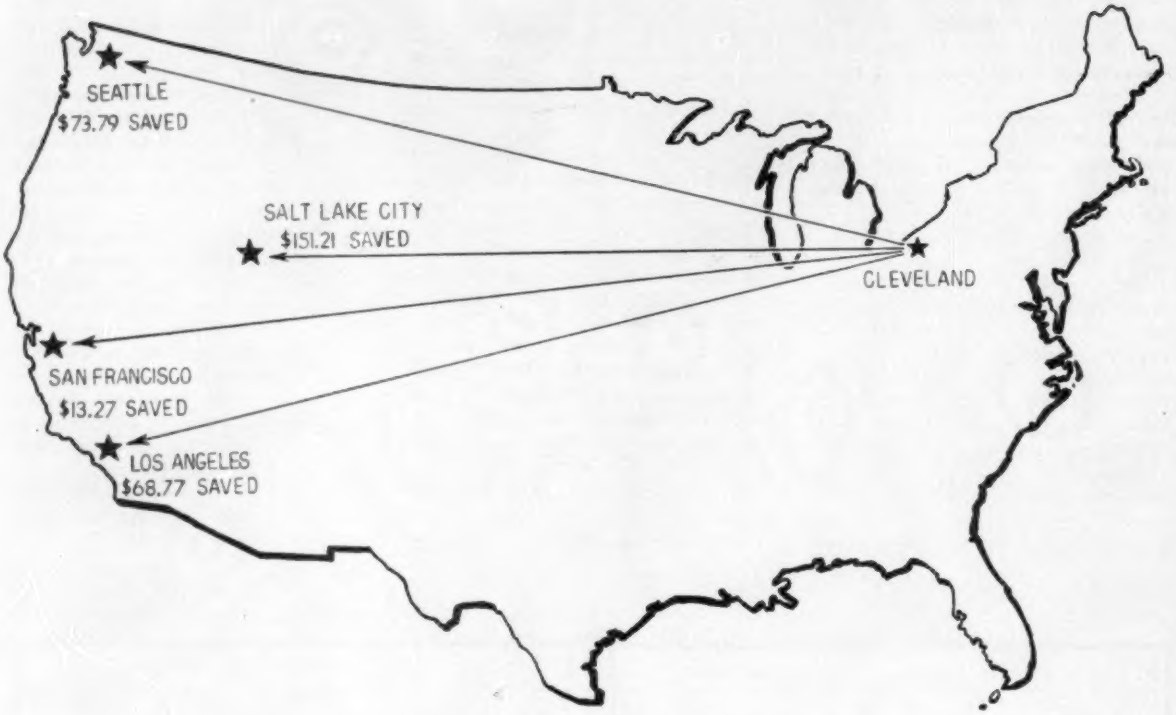
GOAL 3

IMPROVED CUSTOMER SERVICE

Curtis Industries, Inc. is a major manufacturer of key blanks and key-cutting equipment. Half-a-dozen years ago it was introduced to another device which opened the door to bigger profits.

Key to Lower Costs and Better Service

By VIOLA CASTANG • Assistant Editor • Air Transportation



A 10-day test period produced the above savings and converted Curtis Industries, Inc., to daily air distribution.

IN the depression year of 1932, when Howard Abram founded a business on $20, it is unlikely that he foresaw the growth of the business within 30 years to one of the largest key-cutting equipment companies in the world.

A certain dramatic increase which took place in the Fifties was, however, planned for in advance by Curtis Industries, Inc. of Cleveland, Ohio. In 1955, the firm invited consultants of American Airlines to make a study of its distribution problems. As a result of the study, in June of that year Curtis closed its Oakland, California warehouse, and air freight came into the picture in a big way.

The figures went like this: in fiscal 1952, sales stood at $1,533,000; in fiscal 1956, sales had jumped to $3,616,000; in the year ended May 31, 1961, sales had reached $8,483,000.

Curtis, though not a large tonnage shipper, is not only a leading manufacturer and distributor of key blanks and key-cutting machines, it is also nearly at the top of the list of the country's direct distributors of small automotive replacement parts, industrial and other fasteners and hardware specialties.

Until June, 1955, the company's products had been trucked out to the Oakland warehouse, air being used only for rush shipments. But the warehouse was extremely costly to operate, and also entailed a large percentage of back orders and poor inventory control. When American, in 1955, came out with its air distribution concept, Curtis gladly provided the airline with the wealth of detailed information necessary to make a thorough analysis of the problem.

The study took six weeks. During this time, test shipments were made. It involved the airfreighting of shipments in bulk to four strategically located centers in the West, these being transshipped individually via parcel post or truck to consignees in the 11-state area. Finally, a definite profit-volume ratio was computed, demonstrating the exact manner in which the elimination of the warehouse would save Curtis money. The calculations had now become sufficiently fine to point up the degree to

(*Concluded on Page 27*)

PAMPER YOUR ORIENT AIR CARGO TOO

■ On Japan Air Lines, your cargo isn't actually watched over by one of JAL's gracious, kimono-clad hostesses. But it is given the same kind of respectful attention that characterizes JAL's famous trans-Pacific passenger service. For the Japanese tradition of thoughtful service and meticulous attention to detail applies to cargo as well as to people. This assures a safe, sound shipment, whether your cargo is a bulky but sensitive electronic computer packed in the air-conditioned, pressurized compartment of a big DC-7F Freighter, or a tank of tropical fish on a speedy DC-8C jet. It's never "off-loaded" en route, and you get protected trans-shipment, too. So just as JAL is the delightful way for you to fly to the Orient, it's also the sensible way to ship your cargo there. Ask your air cargo agent or air freight forwarder about Japan Air Lines.

JAPAN AIR LINES COURIER CARGO

DC-8C JET COURIERS • DC-7F FREIGHTERS • U. S. TO JAPAN AND THE ORIENT

TALK TO YOUR CARGO AGENT OR FREIGHT FORWARDER OR CALL JAPAN AIR LINES IN NEW YORK • SAN FRANCISCO • LOS ANGELES • PHILADELPHIA SEATTLE • CHICAGO • CLEVELAND • DETROIT • BOSTON • WASHINGTON • DALLAS • HOUSTON • DENVER • SAN DIEGO • HONOLULU • VANCOUVER • TORONTO

JAL

The British Crown Colony's IATA consolidators take up the cudgels to fight . . .

HONG KONG PAYOLA

By RICHARD MALKIN

Executive Editor, Air Transportation

HONG KONG—It was the entertainment industry in the United States that ironically coined that nasty word, payola. The TV quiz and radio disk jockey scandals of a couple of years ago yanked the word out of the exclusive Show Biz lexicon and overnight converted it to common usage. But the practice wasn't invented there. It was born centuries earlier, long before Signor Columbus used his influence with Queen Isabella. Probably it has existed since Eve gave in to a tempting apple.

But payola in its most flagrant form, qualified informants told the writer, exists in this teeming Crown Colony. It exists, they say, in virtually all strata of Hong Kong's bustling economic life—from the ricksha boy trotting the streets of Kowloon to the successful manufacturer living in luxury on scenic Victoria Peak.

Therefore, its having caught and gripped the air freight industry here is neither an unnatural nor unexpected development. The payoff, the buck under the table, the surreptitious kickback, are so much the warp and woof of Hong Kong life that even respectable businessmen are said to have come to regard the practice as almost legitimate.

One airline man told the writer:

"It's got so bad that when shippers figure their net costs, they include the probable size of the rebate they expect to get."

The writer was able to confirm this statement elsewhere.

The big news out of Hong Kong, which *Air Transportation* exclusively has learned, is the quietly made decision of this area's five IATA-authorized air freight consolidators to join forces in a dynamic move to stamp out the system of rebates which reportedly is rife in both air and sea transportation. (The Orient falls in the International Air Transport Association's Traffic Conference No. 3, where air freight consolidators, unlike their Atlantic counterparts in Traffic Conference No. 1, are required to obtain IATA approval.)

Founders of the Hongkong Aircargo Consolidators Association, Ltd., sworn to destroy the rebate system. In the foreground is Rosalind Henwood, Flying Cargo, Ltd., chairman of HACA. Behind her, left to right, are: T. C. Lamb, Everett Air Cargo Service; P. H. M. Tai, General Travel Service; Richard Sun, Air Express International (H. K.), Ltd.; Charlie Lee, Hecny Transportation, Ltd. HACA plans to expand scope of interests.

The new anti-payola organization is known as the Hongkong Aircargo Consolidators Association, Ltd. Comprising it are: Air Express International (HK), Ltd.; Everett Air Cargo Service; Flying Cargo, Ltd.; General Travel Service; Hecny Transportation, Ltd.

Operating on the basis of a rotating leadership once every six months, the first term of chairman has fallen to Rosalind Henwood, president of Flying Cargo, Ltd., pioneer air freight consolidator in Hong Kong.

HACA will exercise two means of defeating the alleged widespread practice of rebating a percentage of the transportation charge in order to obtain shipments. It will:

1. Co-load the shipments of its members. Through this device, it is explained, HACA's members will be able to produce a new tariff which would offer additional savings to exporters, plugging a gap in which it has been possible to entice traffic with offers of kickbacks.

2. Levy a fine of $10,000 on any member of HACA found by the other four to be guilty of malpractice. The five charter member firms together are putting up the sum of $50,000 and depositing it in the Hongkong & Shanghai Bank.

Furthermore, HACA is seen as a potentially effective lever in prying more air freight traffic out of exporters, and as a strong motivating factor towards the diversion of additional commodities from sea to air movement.

"Actually, we are not so much interested in co-loading *per se* as we are in using its obvious benefits to wipe out under-the-table deals," Mrs. Henwood told the writer.

It was pointed out by another that under ordinary circumstances he would not go along with the idea of HACA. All are intense competitors, but with the passage of time has come the real-

(*Continued on Page 26*)

Joerg W. Paetow

Cargo Manager—North America
Lufthansa German Airlines

IT was virtually a hop, skip and a jump from the import-export business in Bremen, to the forwarding business in New York, to the international airline business which now has him putting in about 100,000 air miles a year.

On July 1, 1955, when he took over the reins as Lufthansa German Airlines' top cargo official on this side of the Atlantic, the title, cargo manager-United States (it has since been expanded to cargo manager-North America), had a rather pretentious ring, although, as far as titles and duties go, it was true enough. The cargo department consisted of a single office, at New York International Airport. He shared a desk with half a dozen other persons, and for a time he had to use an upended waste basket as a seat. From this executive seat of authority, he set about intensifying the effort to fill the cargo compartments of Lufthansa's two weekly passenger flights. His sales staff consisted of all of two persons.

Almost immediately he started pushing for an all-cargo operation. There was plenty of bulk freight around, and he meant to get part of it. The first airfreighter, a DC-4, came through in 1957. A year later, a *Super Constellation* freighter joined Lufthansa's North Atlantic fleet. The twice-weekly all-cargo services were stepped up to four. And in 1959, when the German air carrier made its formal entrance into the Jet Age, a pair of newly converted Lockheed 1649s helped to bring the all-cargo operation to a high of five per week.

This is the stage of Lufthansa cargo development at which young Joerg W. Paetow finds himself.

Of medium height, a little thinner now because of a recent bout with illness, incisive in the expression of his thoughts, Paetow today holds sway over some 90 persons—a far cry from the cargo staff of only a few years ago. His territory stretches all the way from Anchorage, Alaska, to Lima, Peru.

Discussing the transition from piston-engine aircraft to pure jet, Paetow quickly made the point that doubtlessly "bigger, better equipment will be used sooner than most of us realize." As for himself, he dreams of a daily jet-freighter operation with an aircraft of the Boeing 735 type.

"The way international air freight is progressing, I am confident we will be able to fill these planes, and the other carriers will do likewise, of course. This business is steadily growing; it is not standing still, not even for a moment."

A native of Giessen, Hesse, Germany, where he was born 36 years ago, Joerg Paetow is the son of a Navy career officer. The family moved to Bremen when the boy was 11. He attended the gymnasium (high school) there, and upon graduation entered the Officers Academy at Fuestenfeldbruck in Bavaria. The flying bug had nipped him and drawn blood long before, expressing it in glider sports. For a time he headed a youths' glider flying club.

Came World War II and he found himself a Luftwaffe fighter pilot. His father took command of a torpedo boat.

Later in the holocaust he was captured in Berlin by the Russians and sent to Poland as a prisoner. An opportunity to escape presented itself, and he seized it. He slogged a thousand miles back to Bremen for a tearful reunion with his mother. The Paetow's home was bombed out. His father was alive, but in a British POW camp.

The future did not appear hopeful at the end of the war. Germany was in ruins. Opportunity was nil. What fond thoughts young Paetow had cherished in the past were out the window. At the urging of the elder Paetow, now returned, Joerg reluctantly took a refresher course in English, a language with which he was fairly well familiar since his gymnasium days. Simultaneously he enrolled at a college, with courses heavily weighted towards economics.

His knowledge of English eventually landed for him a job as interpreter for the United States Military Government in Bremen. It was during his tenure as interpreter (1947-49) that he made his first acquaintanceships with Americans. The frank, easy-going manner of the Americans appealed to him and helped to break down the defensive reserve he maintained.

He was still taking college courses when he deserted the job of interpreter for an opportunity as an apprentice in the Bremen import-export firm of Mencke & Co.

"It was here that I first became acquainted with air cargo and began to form certain ideas about its future."

The weekly pay added up to one fat zero, but he was getting practical experience in all phases of the business. Quite

(*Continued on Page 27*)

ROUND TABLE

Early last month the Connecticut General Life Insurance Company sponsored a wide-ranging symposium on The Issues and Challenges of Air Transportation. *One important part of the event was a discussion of the present and future air-cargo market. Here are significant excerpts from the remarks of the experts who participated in the round of talks. Each points up a different aspect of the industry. Together, they form a thumbnail picture of air cargo as it shapes up today, and what it has in store.*

WILLIAM LITTLEWOOD
Vice President
American Airlines

11 points for success

FOR economic success in air cargo, we must:

1. Develop and apply airplanes of appropriate size, type, performance and physical characteristics for the several needs—international, national and ultimately local.

2. Develop and apply mechanization, automation, containerization and standardization, to the problems of collecting, sorting and loading; unloading and distribution; and interchange between integrated transportation modes.

3. Provide sufficient schedule services and proper operating times to give a broad service base to meet the desires of the shippers as to adequacy and arrival times.

4. Study and establish routes which will accommodate present needs and future trends in developing air traffic flows.

5. Simplify rate structures and paperwork to make the greatest appeal to shippers and their agents.

6. Improve the quality and efficiency

(*Continued on Page 22*)

ROBERT W. PRESCOTT
President
Flying Tiger Line

Day of reckoning is here

LACK of knowledge about air freight is common in the airline business as well as among user groups.

In the airlines, not enough long-range planning has been accomplished to intelligently plan for the future. Research is an area which has virtually been overlooked. The freight of the past has consisted of emergency, perishable, or high-valued freight and studies of volume, price, and flow patterns have been immaterial. However, the day of reckoning has arrived. The air industry now is in a position to increase freight volume through reduced rates and necessary data to do this on a selective and orderly basis must be accumulated rapidly. Not enough information is available on the elasticity of demand for air transportation for various products.

The prime problem in marketing air freight is the lack of knowledge of the economic effects of rapid transportation. In most corporations, each functional area such as sales, production, finance, and traffic is separately man-

(*Continued on Page 22*)

STANLEY H. BREWER
Professor of Transportation
University of Washington

Getting indirect costs down

THERE is considerable conjecture and discussion as to possibilities of reducing indirect costs. This is crucial to the future development of the air freight business and must be given a considerable amount of attention. Combination operators now contend that their indirect costs for the moving of freight are approximately 50% of total costs. Cargo carriers, on the other hand, indicate that they have a ratio of approximately 60% direct and 40% indirect. It should be possible to reduce the level of indirect costs to approximately the same level as the estimated direct costs for future aircraft. With substantial volumes of traffic, the economies of scale should enable operators to do even better than this.

In a recent writing, a hypothetical example was used to show possibilities for reducing indirect costs in the air freight business. This was a comparison between indirect costs for motor carrier and air freight transportation.

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ON AIR CARGO

JOHN C. EMERY

President
Emery Air Freight Corp.

THERE is every reason for teamwork between airlines and forwarders in their mutual desire to promote air freight volume, revenues

Airline-forwarder rate problem

and earnings. While the services of the two types of carriers are competitive, they also supplement each other. Together, they represent a powerful force for market development. What is true in principle, however, may not be equally true in practice, and that appears to be the case now in the relations between airlines and forwarders.

The working relations between airlines and forwarders are much better today than they were in 1948 when the airlines tried by court action to upset the Civil Aeronautics Board decision to permit air freight forwarding. The competition between them is intense but reasonably constructive. On many occasions now, airline and forwarder representatives meet to discuss service improvements for mutual carrier and shipper benefit, and airlines

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ROSS W. BENNINGTON

Director of Traffic
United States Rubber Co.

THE stage is set for an ever-increasing use of air cargo facilities even though this form of commodity transport is considered to

Changing distribution picture

be premium transportation. But premium transportation is not necessarily premium distribution when total costs are considered. Suppose that we look at the user of air freight—who he is—what are his reasons for using this medium?

Commonly used classifications of air freight shippers are: (1) those who use it only in case of emergency, and (2) those who use it as a normal and routine means of transportation. The rapid growth of air freight can be traced to the decrease of Category 1 and a great acceptance in many industries of Category 2.

The field of physical distribution has, generally speaking, been neglected by the management of business but offers a tremendous opportunity for real economies. This is a real challenge that can be met in many ways through

(Continued on Page 24)

JACKSON R. McGOWEN

Vice President
Douglas Aircraft Co.

AS the air cargo industry matures, more and more route segments will develop to the point where the all-cargo aircraft is the rule.

Airfreighters to come

It is entirely possible that the payload capacity of the all-cargo jet aircraft will eventually have to exceed the 95,000 pound capacity of the DC-8F *Jet Trader*, and payload capacities of 150,000 and 200,000 pounds will be required to meet the demand of the industry. When we speak of these large payload capacity aircraft, it should be noted that the laws of physics and aerodynamics normally provide us with a long-range capability in these aircraft. This is significant because it is easy to justify the fact that the transportation of cargo by air will bring its first rewards on the long-range routes. Therefore, it is logical to expect that the first emphasis for jet cargo aircraft will be made in developing economic long-haul equipment. Our present studies indicate that we can expect direct operating costs of 4¢ a ton-mile or less between 800 miles and 3200 miles.

As the long-haul air cargo route

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E. R. MARLIN

Director of Technical Assistance
International Civil Aviation Org.

THE efficient carriage of air cargo in underdeveloped countries calls for more organization and planning than has heretofore been possible.

Problems in underdeveloped nations

Work must begin with the character of the goods themselves. There is a lack of standardization of quality, for example, in the grading of fruits and vegetables which are shipped for consumption to markets which are prepared to pay the extra cost of airfreighting. Higher standards and quality control must be introduced in the production of the goods which are offered for shipment. Furthermore, there must be a greater certainty of production which tends to be unreliable and results in irregularity in shipments, small loads, unreliability of delivery to airport pickup points and, in short, a lack of business discipline which is, of course, a reflection of the underdeveloped state of the countries concerned.

Order, punctuality, fulfillment of contracts and commitments must be learned as a part of the process of development of people as well as in their exploitation of natural resources. Furthermore, work must be done to organize the receiving, warehousing and packaging of air cargo in the underdeveloped countries. Business forms and methods must be introduced, credit and payment habits must be established. Modern methods of doing business must be applied from the initial production stage to the shipment of goods by air cargo. Finally, education must also reach down to the level of the provincial and national officials who are inclined to hinder the shipment of goods by the numerous and complicated customs requirements, currency controls, police surveillance and quarantine regulations. These controls tend to be more severe in the underdeveloped countries than they are in

(Concluded on Page 25)

Take-off . . . landing . . . unloading—three stages of air transport whose schedules must provide a broad base for shippers' needs.

McGOWEN

(Continued from Page 21)

structure develops, it is valid to expect that a feeder-type network will be required in certain large areas within a country. These route networks will require relatively short-haul air cargo operations, that is from 100 to 600 miles. This feeder-type service might in some cases take the form of a long-haul pick-up and delivery service. For distances of less than 100 miles it is difficult to foresee any improvement in time and service over the present trucking capability. In many cases, however, we find large volume air shippers located from 100 to 150 miles away from the nearest air cargo terminal. These shippers have learned, for example, in the case of a run from San Bernardino to the Los Angeles International Airport, that nearly five hours of time are required by truck to move merchandise to the air cargo terminal. With today's jet aircraft, this is the same amount of time it takes for the airplane to move the cargo transcontinentally.

Similarly, the same situation in the delivery of the product may be anticipated at the other end of the air cargo run. While this is only one example, it can be multiplied many times througout the country. Therefore, it would appear that one of the first areas of new development for pickup and delivery of air cargo is in creating a vehicle which has the maneuverability and capacity of a truck and a block speed more closely compatible with jet aircraft. Many machines have been designed and offered to fill this gap and range, from carbo helicopters, STOL and VTOL aircraft, to carbo monorails and pneumatic tube proposals. Regardless of the ultimate design of the vehicle which will answer the pickup and delivery requirements of air cargo, it must be kept in mind that the operating cost must be competitive with the motor truck.

Consequently, we see the need for two air cargo vehicles to answer the future demand for short-haul air delivery. One of these vehicles would have the capability of operating up to 800 miles with a cargo capacity in the neighborhood of 20 tons. The air pickup and delivery vehicle probably would require a five-ton payload capability and a range of not more than 200 miles. These short-haul vehicles will probably await the development of more efficient power plants and innovations in the application of aerodynamic principles in order to achieve the level of economy required to provide a competitive service.

LITTLEWOOD

(Continued from Page 20)

of services to excel as compared with competing modes of transport.

7. Conduct aggressive advertising, sales and educational campaigns, stressing the benefits of air cargo in peace and emergency.

8. Study and apply efficient and economical methods in all operating areas. Use operations research and modern machine methods as appropriate.

9. Undertake reasonable entrepreneurial risks to develop the business, realizing that, as with passenger transport, unless it grows quite rapidly in size, it will not become economically sound.

10. Work to encourage government restraint *and* economic wisdom in this development, and to avoid unnecessary restrictions of regulation and control. The government must act as required to prevent cutthroat competition.

11. Establish rates which promise to show a reasonable profit when adequate volume is established, based on some recognition of the extra values to shippers of faster and better air cargo services in ever broadening fields.

It is felt that these factors are mutually consistent and that air freight can logically be developed into a profitable business with almost unlimited potential. Freight is not emotional or temperamental. Passengers are — and shippers can be. So we must convince by reason and essential demonstration. Unless we have the courage to make the demonstrations of service and economy on an accelerated and ever expanding basis, air freight will grow slowly. But we can make it grow fast and profitably!

PRESCOTT

(Continued from Page 20)

aged and the heads of the various areas are left to optimize their own operations without regard to the effect on the over-all company performance. Each of these functional managers is gauged by top executives on his performance in minimizing cost or maximizing production or sales without regard to the effect on the total profits of the business. It is difficult to convince a purchasing agent or a traffic manager that he should use premium transportation when in effect this will increase his unit costs. Similarly, the sales manager is averse to giving up a warehouse distribution system which was established to give maximum service to the customer, although very often at a high cost.

Some corporations are organized to give a single manager control over the many activities concerned with material movement. These managers can direct the material flow process from the corporate point of view and often can establish a system which tends to optimize the over-all transportation, distribution, and procurement functions. Unfortunately, the companies with this systems approach are in the minority.

When a company has its cost control centralized, the higher costs of air transportation can be traded off for costs of warehousing, for increased sales through better service, or for more efficient control of production scheduling. They have the ability to measure costs of alternative materials flow systems and determine a price for air freight services which will economically justify shifting all or a portion of their shipment to the air.

Most of the major air freight carriers are attempting to foster this type of organization of materials flow. However, it has been a slow process. As the costs of doing business increase and surface transportation rates also rise and as the air freight rates decrease, this systems approach becomes easier to sell. The gap between air and surface rates will decrease even more in the future and the shift to air transportation will be far more pronounced than at present.

BREWER

(*Continued from Page 20*)

The freight carried by each of these two modes was assumed to be approximately the same and therefore terminal costs for one mode with approximately the same volume should be about the same as for the other. For a 1,000-mile haul, the air carriers now charge approximately 20¢ a ton-mile or $10 per 100 pounds. With an allocation of 50% of this to indirect costs, the total charge to indirect is $5. Motor carriers charge an average of approximately 5¢ a ton-mile or $2.50 per hundredweight for a similar shipment. Here the allocation for indirect cost is approximately 40% of direct cost, but only amounts to $1 per hundredweight as compared to $5 for the air carriers.

When the air carriers are able to move freight at direct operating cost of 4¢ per ton-mile, that cost for a 1,000-mile haul would be $2 per hundredweight. If these carriers are able to achieve the same proportion of indirect costs as the truckers, they could charge rates as low as $3 per hundredweight and still cover their total costs. The speed advantage the airplane has might easily overcome the difference between the $3 rate and the $2.50 rate, but it will not overcome the difference between $10 and $2.50. This example may sound somewhat preposterous, but it is an indication of possibilities for the future.

About 15 years ago, the motor carriers of general freight were facing some of the same problems air carriers are facing at the present moment. The volume of traffic they moved was relatively small and their terminal costs were extremely high. Substantial management effort was expended in researching more efficient and less costly ways to move freight through the terminals with very satisfactory results. Terminal costs of motor carriers at that time often ranged from $1 to $2 per hundredweight.

At present, motor carriers report average costs of 15¢ to 35¢ a hundredweight; and this, of course, includes the handling at both origin and destination points. The figures are slightly misleading since as much as 40% to 60% of the freight tonnage handled by general freight motor common carriers is not moved through terminals. Even when this volume is deducted, the total average cost for handling one terminal is still only 20¢ to 40¢ a hundred pounds. This compared with costs of $2 to $10 per hundredweight reported for a single terminal handling by the air carriers.

Substantially increased volumes of traffic will result in much lower average unit costs for other indirect costs such as administrative and overhead expense. There should come a time when air carriers are able to reduce indirect costs to levels somewhat comparable to those of motor carriers moving the same kinds of traffic.

Most forecasts are based on average rates of 12¢ to 15¢ a ton-mile for the period 1965 through 1970. These are predicted on average direct costs of 6¢ to 7¢ a ton-mile and approximately the same for indirect costs. For the period 1970 to 1980, average rates of 8¢ to 12¢ a ton-mile should be attain-

able with larger volumes and resultant economies of scale in indirect costs and fully depreciated or more efficient cargo airplanes than are now being offered.

EMERY

(Continued from Page 21)

and forwarders are no longer inevitably arrayed against each other in proceedings before the CAB.

Nevertheless, the united front which airlines and forwarders could present is weakened, it appears, by some aspects of the competition between them. It is freely conceded that this is an arguable opinion, but that makes it all the more pertinent to this occasion.

From this point of view, two characteristics of airline and forwarder rates accentuate a destructive degree of competition between them. These are the airline minimum rates—based on 50 pounds domestically and even lower weights internationally—and the rates of some forwarders which are lower than airline rates on the heaviest shipment weights. A more logical arrangement, better for all carriers and without disadvantage to shippers, would provide for lower forwarder rates on lightweight shipments and lower airline rates for volume shipments with airline minimums at about 200 pounds.

It is unfortunate, too, that competition between airlines, and between airlines and forwarders, concentrates so much of the cargo airlift on the one main route between New York, Chicago and Los Angeles. That this is an important route there can be question, but there are others that are equally important in the development of the national air freight market. Competition on this route between airlines has depressed rates to the lowest domestic level. Concentration on this route by some of the forwarders, with a resultant abnormal proportion of heavy forwarder consolidations, has depressed the revenues reasonably to be expected from the usual mixture of light and heavy shipments. Even the CAB has contributed to the depression of airline revenues here—and elsewhere—by its unwise decision permitting joint loading by forwarders.

A major need for air freight development is a better domestic rate structure—a general commodity rate structure with weight-breaks, which means rates per pound which diminish as the weight per shipment increases. Only with such a rate structure can the air carriers accelerate their penetration of the heavy-shipment market while retaining a compensatory average ton-mile return. Yet it is not easy for airlines to introduce such a rate structure in the face of the prospect that forwarders, by rate-cutting and joint loading, will depress the ton-mile air freight revenue below the average compensatory level intended.

No effective, lawful answer to this airline-forwarder rate problem is immediately apparent. One desirable step would be the prohibition of joint loading by forwarders, and another would be the raising of airline minimums. But these alone would not solve the problem. Perhaps nothing will except the passage of time.

BENNINGTON

(Continued from Page 21)

the medium of air transport as a means of reducing total costs of physical distribution. Distribution executives must be prepared to recognize its benefits.

Since air freight is no longer an emergency form of transportation, how can it best be used to satisfy the demands of modern business?

First, there is the whole question of inventory control, that is affected by transportation implications and possibilities and has been neglected by most businesses or, at least, it has not been given the proper recognition.

There have been some notable exceptions to this philosophy which have brought to light some of the following examples:

1. Some companies that distribute on a national scale, through air freight, operate without any warehouses.

2. Most companies are reappraising their warehouse practices—(my own company is doing this).

3. Traffic management is no longer limited to the transportation charges alone but is, as has been previously stated, concerned with the theory of total costs.

What have been the factors that caused this ever-increasing emphasis on distribution? We could mention the changing pattern of American business. For example, the decentralization of industry on the one hand, plus the trek to the suburbs, the high level of our

standard of living and the population shifts from the industrial Northeast section of the United States to the South, Southwest and Pacific Coast area.

The above shifts naturally place more and more burden on transportation to satisfy the ever-changing requirements of the American public.

For example, the location of warehouses in the past was based primarily on rail transportation with its naturally slower transit time in the movement of goods from factory to market. Such warehouses carried maximum inventory because of the elapsed time required to ship from factory to customer. Motor carrier transportation modified this to some extent but air freight represents a further opportunity to reduce the high cost of inventory. This can be done through direct ship-

ping from factory to customer without the necessity of operating through warehouse or, at least, greatly enlarging your marketing area from your warehouse or warehouses.

It must be admitted that this is an oversimplification of a difficult problem that naturally is not applicable to everyone. On the other hand, the carriers of air cargo do not expect that their service would be advantageous in the same degree to all shippers. However, those industries that have realized the maximum economies from air freight fall into a pattern and make interesting reading to those interested in this subject.

It is interesting to note how the airlines have developed their approach to air cargo transportation. They used the expression, "total marketing concept," to show prospective customers how to cut total distribution cost and increase profits by the use of air freight.

This concept is to make an analysis of present costs including, beside the cost of freight, inventory, warehousing, packing, handling, as well as taxes, insurance, rent on warehouses, salaries and interest charges on inventory. By eliminating much of the warehousing and related costs, shipment by air freight can be shown to save money in many companies.

In a study of this nature, a mere comparison of surface transportation rates *vs.* air cargo rates would distort the picture. In place of such comparison, I would submit the net effect of increased transportation cost *vs.* savings of cost on reduced inventory. This comparison was very graphically illustrated in one of two examples contained in an air cargo study published by the Harvard Business School. The particular company referred to in the study had an increased air transportation expense of $75,000. Yet the net savings on reduced inventory was almost $80,000.

Since we all can agree that the buying pattern is changing so must our thinking change in the field of distribution. Many of us have either modernized or rebuilt our various warehouses in the same location. Yet, such warehouses, in many cases, were originally established because of the fact that railroads were the only form of transportation. Therefore, the problem of changing the location or eliminating the warehouses entirely is one that all of us who are interested in distribution must consider.

My own company is constantly reviewing its distribution patterns with the thought of shipping direct from factory to customer rather than via a branch or warehouse. Air freight would certainly be included in any such study.

If I could look into the future, I would predict an ever-increasing trend toward the use of air cargo. There is a mounting interest in the cost of inventory. Each segment in the distribution pattern wishes to be relieved of inventory responsibility. There is no doubt that such interests will consider air transportation as a possible answer to their problem.

MARLIN

(Continued from Page 21)

the more advanced countries and a reformation must take place on the value and importance of increased trade to convert the habits of such officials.

The outlook for the future of air cargo in underdeveloped countries, as elsewhere, is good. We may optimistically assume a rate of growth amongst many underdeveloped countries of 5% per annum resulting largely from the widespread efforts being made to establish industries and to develop natural resources in these countries. A rise in the standard of living of the peoples in these countries, which is the primary objective of the various aid programs now operating, will result in a larger volume of import and export affecting the main trunk route carriers. This increase will probably not be dramatic in volume and it will certainly not match the growth in air cargo among the developed countries. However, the volume of domestic and regional air cargo will certainly increase as it has done over the years and the rate of this growth will depend to a large extent upon the degree to which costs of carriage can be lowered.

TRAFFIC MANAGEMENT'S NEW STATURE

(Continued from Page 13)

today that may be helpful. For example, here are a few definitions that may qualify products as candidates for air distribution:

1. When the value per pound is of $1.00 or more.
2. When the product is a stock item.
3. When the distance to market by surface transportation is in excess of 48 hours.

So that you will have a feeling for the reality of the distribution opportunity I have been describing, I would illustrate by providing several concrete case examples:

Raytheon Company: By integrating the speed of air freight with electronic order communication and data processing systems, Raytheon is able to give its distributors throughout the United States, 24- to 48-hour deliveries from its centralized Unicenter headquarters at Westwood, Massachusetts.

In the past, distribution of Raytheon's electronic receiving tubes had been accomplished physically through the utilization of field warehouses. These were required because of the long time cycle involved between the actual placing of orders by distributors, mailing time involved in the transmittal of the orders to the point of shipment, and the order processing, shipping and transportation time involved in moving the product from the shipping warehouse to the customer's location.

By consolidating all inventories at Unicenter, Raytheon is giving better service and has, through the efficiencies of inventory consolidation, eliminated 50% of its dollar investment in inventory, plus $250,000 direct out-of-pocket fixed expenses. Comparing air distribution costs with warehouse plus surface transportation charges, the savings were in excess of a quarter-of-a-million dollars annually from using air freight.

Armour Pharmaceutical Company, Division of Armour & Company: Armour Pharmaceuticals has been successfully using air distribution for more than five years. Late in 1955, it experimented with air distribution as a substitute for their Fort Worth warehouse. This resulted in a savings of more than $50,000 per year, plus better overall customer service.

Since this original experiment, Armour Pharmaceuticals has closed its New York warehouse, substituting air distribution. In doing so, it was able to establish air distribution points at Atlanta and Boston where they did not have warehouses, accomplishing this from the savings in capital invested in inventories and from operating expenses fomerly incurred at New York and Fort Worth. In effect, Armour now has four "warehouses in the sky" for less total cost than two "brick and mortar" warehouses.

American Greetings: In 1958, American Greetings, one of the two largest greeting card manufacturers, closed its Los Angeles warehouse and began air distribution to Los Angeles, San Francisco and Seattle. This resulted in better inventory control for its everyday line of merchandise and better service to its customers on the West Coast.

By substituting three "warehouses in the sky" for the one "brick and mortar" warehouse in Los Angeles, American Greetings is saving $90,000 per year.

While those case examples are impressive, the traffic executive's prime interest is properly with the potential benefits for his own company. As traffic executives searching for profit-oriented opportunities, inevitable questions will cross their minds. I would anticipate they might run as follows:

(a) How can I cut down the time lag between production and consumption of the product at point of sale?

(b) What possible methods are there for reducing the cost of inventory possession without deteriorating customer service? (Incidentally, possession counts for a total of 25% of the total corporate dollar.)

(c) What steps do I know about in my own company's present distribution habits which can be eliminated or shortened?

(d) Is my company considering acquiring additional warehouse facilities? How would their costs compare with a "warehouse in the sky" or "warehouses on wings"—either of which are free of fixed cost to me, the user.

Of course, each business must be examined individually. And, I would add, transportation is not always the exclusive beneficiary from such examinations. Our own distribution consultant studies reveal it has not been uncommon to uncover exciting improvement opportunity in totally unrelated areas. The significant thing, it seems to me, is that traffic executives are the obvious company executives with the best corporate posture and visibility to lead the way.

Toward that end, it is well to be reminded of some of the elements in a company which must be brought together in such a logistic search. They include—sales, production, marketing, finance, warehousing, inventory control and purchasing. The problem is much like getting to the core of an apple—you must eat it from all sides. Above all, traffic management represents the vital link between production and sales; traffic management is the keystone in the distribution arch. • • •

HONG KONG PAYOLA

(Continued from Page 16)

ization that the vicious rebate system, which antedates their own businesses, will be damaging in the long run.

"You might say we got together in desperation."

It is charged that the ineffectiveness of both the Hongkong Air Travel Association (which has an air cargo group) and the International Air Transport Association in stamping out payola is a contributory cause of HACA's organization. According to what the writer has been able to learn, the Hong Kong IATA enforcement officer, Reg Short, has given the formation of HACA his blessing. Despite innumerable difficulties, Short is described as performing "a very creditable job."

Organized last August and become a limited company in October, the association has leased space at Kai Tak Airport where the massive consolidations will be handled. (Together the five firms reportedly account for more than 90% of the area's consolidated air exports.) HACA also will lease 800 square feet of space in the new cargo building which is expected to be opened for occupancy in the early autumn of 1962. The kick-off date for operations is a little uncertain. However, it will take place some time this month or next.

HACA has employed the managerial services of Jack D. C. Tsao. He formerly served as assistant cargo supervisor at Tai Pak for Pan Am. He will be assisted by two personnel.

It was made clear that HACA does not intend remaining as an exclusive club for its present five member firms. It will accept new members when they are fully qualified. This means they must (1) be an approved IATA consolidator, (2) an approved IATA cargo agent, (3) tender the $10,000 cash guarantee, and (4) generate new traffic.

HACA's members—all are executives of their respective firms—meet once weekly. Besides Mrs. Henwood, they are Charlie Lee, Hecny; T. C. Lamb, Everett; Richard Sun, AEI; and P. H. M. Tai, General Travel.

Let it be said now that HACA's ambitions do not halt at the borders of Hong Kong.

"We plan to go international," its chairman said. "We hope to make contact with organizations like ours throughout the world. It is our conviction that the consolidators are more qualified than anyone else in the matter of what the new structure for volume freight should be. We want to be heard; we want a bigger voice in such matters, for the good of the industry as a whole." • • •

KEY TO LOWER COSTS AND BETTER SERVICE

(Continued from Page 14)

which speed of delivery would improve customer service. Profit potential inherent in shortening the reorder cycle by reason of air delivery on a daily basis was another high factor here.

The three basic reasons which influenced Curtis into accepting the revolutionary new concept were the promise of higher profits; the belief that air delivery offered the most economical and expeditious method of delivery; and the belief that by increasing sales volume, sales effectiveness would be heightened without increasing selling expenses.

During the study period, 10-day test shipments to four cities had shown the following savings: Seattle, $73.79; Los Angeles, $68.77; San Francisco, $13.27; Salt Lake City, $151.21. From the total of $307.04 in savings, Curtis deduced that over $5,200 could be saved annually.

By way of added inducement were the many hidden benefits accruing from released capital, marked reduction in back orders (which had been clipping the company to the tune of $150 weekly) and, last though not necessarily least, more satisfied customers. Faster delivery has been of obvious material benefit to customers, particularly to those putting in special orders in cases where speed is of the essence.

Curtis has proved that since the switch to air, it is able to operate with an inventory level between 10% and 15% lower than if surface were the sole method of transportation. Currently, its inventory runs between $750,000 and $800,000.

Since 1959 the value of sales shipped by air has averaged about $1 million a year. About $8.90 for every $100 worth of merchandise is the average expenditure for airborne merchandise.

In the 12-month period ended May, 1960, Curtis shipped 319,662 individual orders by air to its markets in the West. The next 12 months will show an even greater volume, Curtis says. • • •

SPOTLIGHT ON PAETOW

(Continued from Page 18)

accurately he viewed his new occupation as a springboard to something better. Exactly what, he was not certain.

The first inkling of new opportunity cropped up in 1951, when Paetow was granted a trainee's visa to the United States. He wound up in the offices of the New York international freight forwarding firm of Hensel, Bruckmann & Lorbacher, Inc. The training program took him through a number of HB&L departments. Inevitably the path led across the East River to the company's air freight section at New York International Airport. Placed in charge of break-bulk operations governing the shipments sent by Germany's *Luftfrachtkontore* (cooperative groupage organizations established to consolidate the air freight of member forwarding firms), he continued performing these duties until 1954 when the termination date of his trainee's visa was reached and forced a return to Germany.

By this time, Paetow's concept of where he was going in life had become sharply clear. There were at least two things he was certain about: (a) his exposure to air freight had supplied sufficient stimulation and exhilarating challenge to convince him that his career rightfully belonged in this new field; and (b) he would return to America, this time for good.

His return to Germany did not cut the tie with HB&L. He represented the forwarding firm as its agent in Northern Germany.

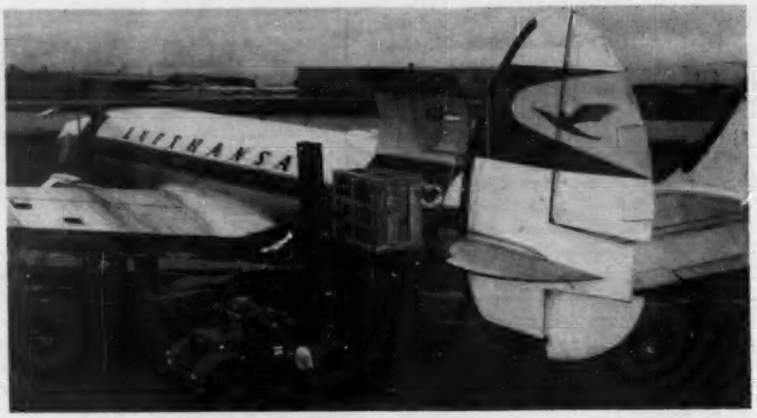
During the time when Paetow plied his new profession in New York, he had attempted, through a stream of transatlantic correspondence, to interest the newly reactivated Deutsche Lufthansa in appointing HB&L as its United States agent. In the course of all this letter-writing, the airline indicated its interest in re-establishing a transatlantic service. How well would it do? Paetow responded with a detailed analysis of the situation current at that time, and what the future conceivably held in store. It contributed to the German air carrier's decision to enter the swelling competition on the world's richest international air route.

When Paetow made his second trip to New York early in 1955, now to settle there, he picked up his old reins at HB&L. But it was only for a few months, although he hardly could know this. Lufthansa, which already was operating a service between West Germany and the United States, tapped him. Would he be interested in taking full charge of its United States cargo department?

Paetow's decision was not long delayed.

How well he has done in his position is concretely attested to by his vastly expanded sales and promotion program, and by burgeoning traffic figures. Lufthansa has rocketed to a position as one of the top carriers of transatlantic air freight, with no small reputation for service.

"Do you know what I would like to see?" Paetow said. We were in an Italian restaurant in midtown Manhat-



Lufthansa has become one of the important carriers of cargo.

tan, and we were discussing problems of the moment (of which there were a few) and prospects for the immediate future. "Within the airline, a self-contained cargo company and a self-contained passenger company, operating under the same top management. In my opinion, this would give us unexcelled efficiency."

Did he expect this to come about? He shrugged his shoulders as if to say, "Who knows?"

Regardless of whether or not this happens, he is firmly convinced that by 1970 air freight revenues will have caught up, and probably passed, air passenger revenues. Problems? Yes, of course—plenty of them. But they must and will be overcome; he is quite certain on that score.

"The problems facing air cargo today are, in the first place, the continuing need to educate the shipping public; and secondly, the need to sell top airline management on freight as an excellent investment.

"Public education is not easy. I believe the shipper will allow himself to study more closely the many advantages of air cargo when new-type aircraft force the rates down to where he will examine them with more interest."

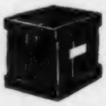
He is emphatic about the economic value of shipping in today's aircraft and at today's rates. The trouble is that too many shippers, traditionally attuned to comparing the rates of different forms of carriers, neglect to analyze the economic factors which lie behind them. The point Paetow makes is that when the rates eventually drop to within reach of those for surface transportation, it will be easier to entice hidebound shippers to examine their own costs.

He recalls his earliest ambition was to be a respected member of the medical profession—a pediatrician, no less. War changed that. But he hardly could have been half as enthusiastic about delivering a child as evidently he is about the future of air freight.

"There's a fantastic potential ahead of us. Truly fantastic. And I want to be around when the breakthrough finally comes."

The young cargo head has demonstrated his conviction in a positive manner. Offers of more lucrative jobs involving the travel side of the business have been shunned by him. What about those low moments which every man experiences? Did he regret his action then?

"Not at all. What I believe, I believe. I am happy to be in air cargo. I am not even sorry I did not turn out to be a doctor. This is exactly where I want to be."



Paetow, who is a United States citizen now, can turn his back on his professional fervor and relax in a number of ways. His love of gliding never left him, preferring it to any other sport. Besides a regular private pilot's license, he holds a C rating as a glider pilot. When time permits, he can be found in New York State's Wurtsboro Hills, soaring with the air currents.

He plays a good game of tennis, and up to the present time he has managed to get in some days of skiing in Switzerland at least once a year. He finds fun in driving a Mercedes sports car. The other side of his activities finds him seriously embedded in Scouting. He has been a scoutmaster for three years.

A hi-fi fan—he imported a Grundig from Germany—Paetow tends towards classical fare, with two of the three Bs, Bach and Beethoven as favorites. He is a good reader, his tastes running towards history and archaeology.

Just about the time when his intimates decided that Joerg Paetow was a confirmed bachelor, he sprang the news of his marriage last summer to a former law student, Riet van der Wal, of Hilversum, Holland. An accomplished pianist, the new Mrs. Paetow likewise is a devotee of the same two Bs.

However, unlike her husband, she lacks any sort of enthusiasm for flying and tennis. (As a matter of fact, the home tie asserted itself when she admitted a personal preference for KLM, arch-rival of Lufthansa, a situation which Paetow promises to take care of in short order.) She adores horseback riding, and inevitably he has been led to this sport as well.

Paetow will admit that occasionally there are periods of frustration in his professional life. He says that it is his utter belief in the ultimate success of the air freight industry in winning full recognition by both the shipping public and airline management that gives him "courage, endurance, and energy" to leap over the hurdles.

Discussing airline-shipper-forwarder relationships with him, as I have on numerous occasions during the past few years, Paetow has succeeded in leaving an impression that his first thoughts and desires are for a healthy worldwide industry, with his company's welfare next in line. Naturally, he will relegate his company to no back seat, and he will tell you at the drop of a hat that Lufthansa is the best airline in the world.

His view of the air freight industry is that of a unit of multiple components, none of which is independent. If one of the components falters, the unit ceases to operate with efficiency.

"The airline alone, the forwarder alone, the airport man alone, the promotion man alone, cannot do the job. Together, and with equal strength, we can move in the right direction." • • •

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SERVICES

DOMESTIC

AMERICAN

Another *Astrojet* flight has been added on the run from Chicago to New York, thus giving the airline on-the-hour service hourly from 8 a.m. through 7 p.m.

BRANIFF

The Dallas-based airline's cargo sales manager, C. E. Smith, recently announced the first nonstop all-cargo service from Tulsa to New York. Originating in Dallas, Monday through Friday at 10 a.m., the DC-6A arrives in Tulsa at 11:16 a.m. and departs at 12:05 p.m. Arrival at Newark Airport is at 5:21 p.m. On the westbound run, the cargoplane flies nonstop to Dallas. It leaves Newark a half-hour past midnight, Tuesday through Saturday. Arrival time in Texas is 5:40 a.m.

Smith

Braniff announced also that a third daily Boeing 707 jet flight has been placed in operation between Dallas and New York International Airport.

EASTERN

Starting January 18, Eastern will inaugurate two daily nonstop DC-8 jet runs between Newark Airport and the cities of Miami and West Palm Beach, respectively.

NATIONAL

For the fall-winter season, National has scheduled a total of 16 round trip flights between New York and Florida. Operations are with jet, propjet, and piston-engine equipment.

TWA

First *SuperJet* service has been opened between Newark and the West Coast cities of Los Angeles and San Francisco, via Baltimore.

UNITED

Two new daily through-plane flights to Honolulu have been inaugurated—one from Detroit, the other from Philadelphia.

INTERAMERICAN

AMERICAN

American has inaugurated *Astrojet* service on the Dallas-San Antonio-Mexico City route on the basis of one round trip daily. The northbound flight continues through Dallas to Baltimore.

MEXICANA

The Mexican airline this month opens daily nonstop jet service between Chicago and Mexico City. Two flights (Wednesday and Friday) will be added to the present three weekly. *Comet 4C* equipment is flown.

Last month, Mexicana opened the first direct air service between Los Angeles and Puerto Vallarta, Mexico, on a thrice-weekly basis.

PAN AM

On November 10, Pan American World Airways inaugurated its new route between Miami and Mexico City, via Merida. Frequency: six flights per week. Two of the flights also stop at Tampa.

VARIG

The Brazilian air carrier has opened a new jet route linking Los Angeles with Rio de Janeiro. Intermediate stops are at Mexico City, Bogota, and Lima. Boeing 707 aircraft are operated. For the present, Varig will fly this route once weekly in each direction.

TRANSATLANTIC

AIR FRANCE

Airfreighter service between New York and Paris has been upped to three round trips per week, lifting the French airline's all-cargo capacity in each direction to 93,000 pounds, a 50% increase. Operating Lockheed 1049H *Super Connies*, departures from New York are at 6 p.m. every Sunday, and at 12:35 a.m. on Thursdays and Saturdays.

TWA

At this writing, TWA is the only United States carrier operating jet transports exclusively across the Atlantic and on international routes extending to Bombay.

The airline also reported that it is temporarily discontinuing service to Tunis and Algiers.

EUROPE-MIDDLE EAST

SAS

The Scandinavian airline's new schedule gives Teheran two DC-8 jet services per week. Five weekly *Caravelle* services link Copenhagen with Cairo via Frankfurt, Vienna, and alternately Athens and Istanbul. Two *Caravelle* flights a week operate between Copenhagen and Abadan, via Dusseldorf, Zurich, Athens, and Beirut. A weekly *Caravelle* flight serves Vienna, Istanbul, Beirut, and Damascus.

EUROPE-SOUTH AMERICA

AIR FRANCE

Santiago, Chili has become the ninth city in South America to receive Air France service. Flights from Paris are every Monday and Thursday.

TRANSPACIFIC

TAI

The French airline's DC-8 jet now leaves Los Angeles every Thursday at 1 a.m., arriving in Tahiti at 7:20 a.m. local time. The flight is via Honolulu.

INTRA-ASIA

PIA

Pakistan International Airlines now leaves Karachi at 8 p.m., arriving in Lahore at 10.35 p.m. Return flight departs at 10:55 p.m., arriving in the Pakistani capital at 1:40 a.m.

INTRA-AFRICA

UAT

Pierre G. Dusart, United States cargo representative of the French air carrier reported that UAT now operates two all-cargo flights weekly from Paris to West and Equatorial Africa. Both flights depart the French capital late every Thursday afternoon. Routes: Paris-Niamey-Abidjan (with connections at Niamey to points in Niger, Mali, Dahomey, and Togo, and at Abidjan to points in Ivory Coast and Ghana); and Paris-Fort Lamy (with connections to points in Chad, Cameroon, Gaboon, Central African Republic and Congo).

Dusart

CAB

SW ASKS SPEEDY DECISION

Seaboard World Airlines, which last March filed with the Civil Aeronautics Board an application for authority to transport passengers on its transatlantic route as a top-off to its present cargo operations, has asked the Government body to expedite consideration. (*April 1961 AT; Page 6*). It would inaugurate such operations next month.

Meanwhile, the all-cargo line's two United States-flag competitors on this run, Pan Am and TWA, have entered protests against the Seaboard proposal.

Based on Seaboard's new CL-44 fleet, the carrier would haul passengers at rates considerably below those currently in effect on the North Atlantic. It has been stressed by Richard M. Jackson, Seaboard president, that the carriage of passengers

would supplement the line's basic cargo business. The volume of freight carried on a flight would determine the number of passengers to whom tickets would be sold. The service has been described as one "without frills."

Jackson said that introduction of the top-off service would amount to "vital support for the development of an unsubsidized cargo service over the North Atlantic during the critical period while cargo traffic is being developed to the level necessary to permit profitable operations with larger, faster and more economical all-cargo aircraft now being placed in service." He maintained that it would provide "expanded cargo capability for national defense purposes," and that a low-cost transoceanic passenger service on air-freighters on a standby basis "needed testing." Jackson insisted that the "public benefits" can be accomplished "without any possibility of significant adverse effect on existing passenger services." Seaboard's president stated that the experiment would enable to penetrate a market potential of 1.3 million passengers "not now using transatlantic air services."

Both Pan Am and TWA not only are striking out against Seaboard's passenger plan, but are questioning the Board whether the all-cargo airline should be permitted to continue operations. Seaboard's authority to operate expired in the spring of 1960. A pending application for renewal has been its basis for the continuation of operations. The airline has been in difficulty for some time.

SW-DLH DEAL PROTESTED

Pan American World Airlines and Trans World Airlines have filed with the Civil Aeronautics Board exceptions to the contract agreement between Seaboard World Airlines and Deutsche Lufthansa whereby the latter would purchase cargo space abroad Seaboard's CL-44s (*November 1961 AT; Page 4*).

GROUND SERVICES

ICC CRACKS DOWN AGAIN

Repeating an earlier action, the Interstate Commerce Commission ruled last month that air freight forwarders, regardless of their authority under the Civil Aeronautics Board, are violating ICC regulations when they tender shipments to motor carriers which do not possess proper operating authority from the Commission. The new ruling affected Special Delivery, Inc., which had applied for motor carrier authority to transport airfreighted baggage on through airwaybills received from air carriers. Its application was supported by Air Dispatch, Inc., Air Express International Corp., and Associated Air Freight, Inc. In the earlier ruling, Emery Air Freight Corp. was affected.

Last month, the Air Freight Forwarders Association, speaking for 20 indirect air carriers, filed with the ICC a statement on Commission Order No. MC-C-3437, Motor Transportation Incidental to Transportation by Aircraft. It questioned the ICC's authority to issue regulations defining the term, *incidental to transportation by aircraft*, under the Federal Aviation Act, and therefore questioned the validity of MC-C-3437 and the proceeding on which this order is based. The AFFA, through Louis P. Haffer, executive vice president and counsel, stated that the Commission is without authority to go beyond "issuing interpretative rules and guides to action, or a statement as to what the Commission thinks the statute means and when it conceives there would be a violation of it." It was pointed out that the ICC is "not authorized by the Act to promulgate regulations defining this term which would have the force and effect of law."

The AFFA also is questioning the ICC's right in this matter to start rule-making proceedings "of even a limited nature . . . or in any event to act in a primary capacity." It added:

"Even without these questions respecting the limited extent of the Commission's authority in this matter, but certainly the more so because of them, the air freight forwarders would urge that the Commission, at most, restrict its participation herein, following informal discussion with the Civil Aeronautics Board, to approval of reasonable action which may be taken by the Board with respect to establishing zones for air cargo pickup and delivery service by air carriers. This would be in accord with the spirit expressed in the news release of the Commission accompanying the present order where it was stated that the proceeding was being instituted so as 'to coordinate the Commission's authority with that of the Civil Aeronautics Board' and that the 'ICC will cooperate with the CAB to the maximum extent possible . . . in the public interest.'

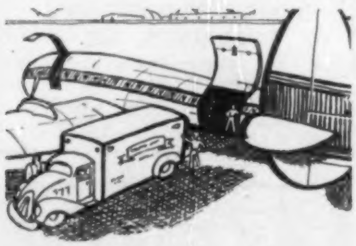
"Plainly, whatever the actual limits of authority of both agencies in this area, it must be apparent that the scope and character of ground transportation employed in connection with and as an adjunct to air freight transportation are of paramount concern to the development of the potential for air cargo and therefore to the Civil Aeronautics Board which is charged with promoting and developing this potential. The extent of the Commission's interest in this area must essentially be to insure that its residual statutory control over surface carriers utilized directly in connection with air transportation is maintained and that the Interstate Commerce Act is not evaded.

"Both the Commission and the Board have direct control over different media of transportation in the public interest. Each is concededly more expert in its own field. The Board's primary concern is to see to it that air transportation is regulated and developed in the public interest. It is requisite that in this interest the exemption in subsection 7 (a) be given as broad, and reasonable, a construction as the term itself indicates. Broadly, and reasonably, interpreted, it would permit an air carrier, pursuant to operating rights granted by the Board, to provide under a

unified service the full range of ground movement essential to the development of air freight in order to satisfy the requirements of shippers by air. This is, and should be, of no official moment to the Commission so long as an exempt ground service is engaged exclusively in *air* freight ground movements.

"There is being filed in this proceeding comments by several individual air freight forwarders setting out case histories reflecting the need for air-oriented ground transportation which Commission-regulated motor carriers, geared to all-surface schedules, have not met and cannot meet. Recognition of this fact by the Commission will not mean that it is not adequately protecting the interest of the motor carriers committed to its charge under its own Act nor that it is critical of the service record of such carriers in all-surface operations. Failure to recognize it, however, may mean that it is involving itself in an area the principal responsibility for which resides in a coordinate agency of the Government, to the detriment of a medium of transportation committed to development and control by that other agency.

"As the Commission is aware, the Board



has issued a provisional Order purporting to define the areas within which it will permit pick-up and delivery charges to be included in published tariffs of both direct and indirect air carriers. The air freight forwarders submitting this Statement have filed Comments with the Board which in general approve of the Board proposal but which request somewhat broader geographical limits. In their Comments the Forwarders emphasized the need for air freight-tailored motor carrier services as an adjunct to air freight transportation with the requisite flexibility to adapt to changing circumstances. It was there pointed out that the industry 'explosion' of recent years into formerly suburban and even rural areas beyond the immediate limits of airports served by adequate air cargo lift, has necessitated a coordinated, integrated air-ground pick up and delivery operation to offer these businesses the advantages of expedited air freight transportation. The ground schedules for collection and delivery required for this service are the converse of the conventional schedules required to be maintained by motor carriers engaged solely in surface carriage. These Comments to the Board are being attached hereto and it is requested that they be incorporated herein and be made a part of this Docket so far as they are relevant to the issues in this proceeding. Any examination of the Board's proposed Order will establish that the Board has proceeded with an abundance of care and caution in defining the extent of ground service that might be included in published tariffs. It would appear that the Commission should have no concern that, if primary jurisdiction in this matter is conceded to the Civil Aeronautics Board, motor carriers primarily under the jurisdiction of the Commission will be adversely affected."

The forwarder organization requested that the ICC drop its proceeding and coordinate "whatever authority it may have" with the CAB. Alternatively, the forwarders said, if the ICC would continue to "participate directly through a formal rule-making proceeding, it should not properly do more than adopt as promptly as possible, in a joint communique with the Board, those zone areas provided for in the Board's proposed Order," including the recommended modifications. (*October, 1961 AT; Page 125*).

FORWARDERS

NEW WTC TERMINAL

An air freight terminal, located adjacent to the airlines' air freight facilities at Los Angeles International Airport, has been built by WTC Air Freight. According to a joint announcement by Al Meyers, president of the parent Western Transportation Co., Inc., and M. G. Montgomery, WTC general manager, the building will house the air freight forwarding firm's general offices as well as serve as headquarters for the Los Angeles station personnel.

The new WTC building, which is set on a 33,000 square-foot plot, will provide 12,000 square feet of space. Two thousand feet will be occupied by soundproofed, air-conditioned offices, with the balance devoted to warehouse space. The warehouse will be able to accommodate as many as 30 trucks. Loading docks are a truck-bed height, Airline tractors, towcarts, and other mechanized materials-handling equipment can move over ramps into and out of the warehouse.

Meyer and Montgomery said that the facility will be equipped with the latest in ground-handling aids, including a free-flow conveyor system and wheeled containers. They pointed out that proximity of the WTC terminal to the airlines will reduce transfer time for shipments.

The new terminal reportedly represents an investment of more than $350,000.

ACME-GENERAL PACT

Acme Air Cargo, Inc. and General Air Freight, Inc. have entered into an agreement whereby shippers may take advantage of the combined services of the companies by calling either Acme or General.

AIRBORNE EXEC ACTIVE

Morton Brautman, who heads all activities in the important New York area for Airborne Freight Corp., recently returned from Europe where he conferred with company personnel and agents in a number of countries. It is understood that he spent some time with Airborne's agent in London. Shortly following his return to New York, he joined Larry Rodberg, Airborne vice president-sales, on a transcontinental sales trip, which wound up in San Francisco, Airborne's home base.

Brautman
Busy, busy

Brautman, a former president of the Air Freight Forwarders Association, is a key figure in the firm's effort on the East Coast.

AEI PENSION PLAN

Air Express International is awaiting approval by the Treasury Department of a pension plan for its employees. Eligible are AEI employees over the age of 25 and with at least one year's service as of October 1, 1961. According to the terms of the plan, each participant pays a modest sum, the balance being paid by AEI. The funds are deposited with an insurance company which will pay interest at regular intervals. In making public the new company action, Alvin B. Beck, president, said:

"The main object of the plan is to provide a monthly pension to employees who retire at age 65 with at least 10 years of participation in the plan. It also provides benefits in the event of total and permanent disability after age 50, and for early retirement after age 55."

AFFA OPINION GIVEN TO FAA

The Air Freight Forwarders Association has recommended that the United States continue "adherence to the Warsaw Convention and the ratification of The Hague Protocol," despite certain misgivings it has about certain aspects of them.

The AFFA position was made known in a letter to W. C. Hanneman, staff officer of the Interagency Group on International Aviation, Federal Aviation Agency. It was in response to an earlier invitation by the FAA group to comment on whether or not the Department of State should recommend that President Kennedy withdraw his request to the Senate for advice and consent to The Hague Proposal, and whether or not this country should withdraw from participation in the Warsaw Convention. Louis P. Haffer, AFFA executive vice president and counsel, who wrote the opinion, stated in part:

"Although there are a number of specific conditions and provisions in both The Hague Protocol and the Warsaw Convention which are subject to valid criticism by this Association as well as by others, we believe nonetheless, that the uniform rules for liability throughout the world which are established by the Convention justify the continued participation of the United States as a party thereto.

"A uniform regime of law applicable to liability relating to international cargo provides the shipper with precise information regarding his right of reimbursement or recovery. It protects him against exposure to the varied and often limited cargo liability laws of the country where the loss occurred. This certainty of knowledge also allows the carrier to arrange for cargo liability insurance coverage and to compute with some degree of exactness the insurance cost factor in establishing its rate structure.

"It is this certainty and uniformity of responsibility in every country which is a party to the Convention that in our judgment is the overriding consideration and that warrants continued adherence to the

Correction

On Page 76 of the 1961-62 edition of the *Air Shippers Manual*, the listing for Frontier Freight Forwarders, under IATA-approved Air Cargo Agents, fails to indicate that the firm is a member of the Customs Brokers & Freight Forwarders Association of America, Inc., which indeed it is. Frontier is located at Miami International Airport.

Warsaw Convention and the ratification of The Hague Protocol.

"It must be understood, of course, that this position in support of retention does not constitute an endorsement of all of the detailed provisions of either the Convention or the Protocol. The Association intends, in fact, to reserve the right, at any future time and in any appropriate proceeding to express its opposition to any provision with which it might find itself in disagreement. The Association does believe, however, that the principle of liability uniformity established by the Convention since 1934 for a large part of the World's international air cargo movement through the Warsaw Convention should be retained."

FIATA-IABA AGREEMENT

The International Federation of Forwarding Agents Associations (FIATA) and the International Air Brokers Association have agreed to set up a joint committee which will "examine all problems relating to air freight traffic in order to defend the interests of their respective members through coordinated and common action." Both essentially are European organizations.

Representing FIATA at the initial session were E. Tournade, Paris; T. Foley, London; L. Halbert, Brussels; J. J. Maeglin, Basel; and J. R. Postema, Amsterdam. IABA representatives were A. Jonemann, France; R. Gmeiner, Italy; M. Bargaust, Norway; H. Dennel, Sweden; G. Harder, Germany; and A. J. Oliver, secretary.

NEW OFFICES

AIRLINES

PAKISTAN

New York, N. Y. — Ground floor, 608 Fifth Ave. Phone: OXford 7-6300. Gilbert C. Philiba, U. S. cargo manager.

FORWARDERS-AGENTS

AMERICAN EXPRESS CO.

Miami, Fla.—2430 N.W. 74th St. Phone: 691-3612. Seymour R. Halpern, manager.

W. J. BYRNES & CO.

San Francisco, Cal.—San Francisco International Airport. Phone: GArfield 1-2068. Armando Galaviz, manager.

PACIFIC AIR FREIGHT

Los Angeles, Cal. — 1414 Cole Place, Hollywood. Phone: LA 7-5600.

AIRPORT TRUCKING

MERCURY AIR FREIGHT

Newark, N. J.—Cargo Building 152, Newark Airport. Phone: MArket 4-6228.

AIRPORTS

SEATTLE-TACOMA

The volume of air freight handled at Seattle - Tacoma International Airport in September reached 4,679,313 pounds, as against 3,892,765 pounds in the same month a year ago. For the first nine months of 1961, a total of 30,637,462 pounds is shown. This represents a 324,362-pound drop from the same period in 1960.

Express handled in September was slightly higher than the same month of last year—307,588 pounds, as compared with 306,050 pounds. Handlings of express in the first three quarters were at 2,511,234 pounds, an increase of 54,993 pounds over last year's January-September period.

PUERTO RICO

Statistics just released for the months of August and September showed thumping increases in cargo traffic. Compared with the same months of the previous year, August registered 5,233,119 pounds, as against 3,718,427 pounds; and September, 5,225,-582 pounds, as against 3,719,017 pounds. For the first nine months of the year, cargo traffic handled at Puerto Rico International Airport increased 9.5%, moving up from 275,752,294 pounds in January-September, 1960, to 302,018,921 pounds this year.

COMMERCIAL AIRCRAFT

720-B DELIVERIES

Aviacana recently took delivery of the first of two purchased Boeing 720-B jet transports.

Pakistan International Airlines, which has purchased three of this type medium-range jet, is expected to receive the first one early next month, with the others coming late in 1962. The first of the 720-Bs will permit PIA to increase its transatlantic flight frequency to three a week.

BRANIFF BUYS ONE-ELEVEN

For its short-range routes, Braniff International Airways has settled on the British Aircraft Corporation's *One-Eleven*. twin-jet. Charles E. Beard, president of Braniff, said the Dallas-based airline is spending some $35 million on a dozen of the British aircraft, including spares. Six are scheduled to be delivered beginning October, 1964; six more are optioned for delivery, starting the following summer.

The *One-Eleven*, called the "jet successor to the *Viscount*," operates at speeds up to 540 miles per hour. Braniff is the first American carrier to purchase the plane.

MORE 707s FOR AIR FRANCE

Air France, which has in operation and awaiting delivery a total of 24 Boeing jetliners, has placed an order for four additional 707s. According to Henri J. Lesieur, general manager for the French airline in North America, the four jets will be delivered in 1963.

CARAVELLE IN THE NEWS

The highly successful product of France's Sud Aviation Co., the *Caravelle* jet transport, has picked up a new customer in Panair do Brasil. The Brazilian airline has ordered four VI-R models, and an option on two more has been taken. Douglas Aircraft Co. has responsibility for sales and product support of the plane in most of the Western Hemisphere, the Far East, Middle East, and Australia.

In another development, it was learned that Sud and Dassault, another French firm, will cooperate in the building of a supersonic medium-range *Super Caravelle*. Its speed would top 1,600 miles per hour.

BEA RECEIVES ARGOSY

British European Airways last month took delivery of the first of a fleet of three Whitworth Gloster *Argosy* propjet freighters. The British carrier expects to receive the balance of the order before the end of 1962. BEA's first *Argosy* was scheduled to start operations on November 26, flying between London and Milan.

TRANS CARIBBEAN JET

Douglas Aircraft Co. has delivered a DC-8 jetliner to Trans Caribbean Airways. The aircraft will be operated on the airline's New York-San Juan run, as well as to Aruba and the Virgin Islands.

WCA BUYS F-27 AGAIN

West Coast Airlines last month announced the purchase of a seventh Fairchild F-27 propjet.

CLUB NEWS

Buffalo Traffic Club: Howard F. Lemmon, manager of the Cleveland Trade Development Office, Port of New York Authority, was principal speaker at Import-Export Night held recently at the Hotel Sheraton. He also presented a color film showing the handling of shipments from origin to loading on ships.

Women's Traffic Club of New York, Inc.: The regular meeting held on November 14 at the Park Sheraton Hotel was designated Airlines Night. Guest speaker was Fred M. Ashley, who for the past 18 years has handled group sales and special sales for Pan American.

Transportation Club of Salt Lake City: New top officers elected are: Keith M. Sargent, president; and Don H. Urry, vice president.

Mid-Hudson (N.Y.) Traffic Club: Speaker at Airlines Night, the dinner meeting on November 8 held in the Newburgh Hotel, Newburgh, was F. J. Stevens, director of cargo customers services for American Airlines.

Traffic Club of Detoit: The luncheon meeting on October 30 at the Statler-Hilton Hotel was addressed by Dr. John T. Dempsey, public affairs director of WJBK and WJBK-TV, his subject being *State of the Cold War—1961*. Chairman was James Sullivan of the Chicago & North Western Railway.

Nashville Traffic and Transportation Club: The fall dinner-dance was held at the Richland County Country Club on November 17.

Los Angeles Transportation Club: The following officers were installed in mid-November at the annual dinner-dance at the Ambassador Hotel: William L. Waite, Jr., assistant general freight and passenger agent in Los Angeles for the Southern Pacific Co., president; Vincent A. Bordelon, manager of the transportation department in the Los Angeles Chamber of Commerce, first vice president; C. Roy Manska, executive vice president of the Pacific Forwarding Association, second vice president; Robert D. Ryan, district traffic manager of the General Steamship Corp., Ltd., secretary-treasurer; and Eugene R. Rhodes, assistant traffic manager of the Monolith Portland Cement Co., sergeant-at-arms.

CONGRATULATIONS

U. S. AIRLINES

Allegheny: Vice Presidents Walter J. Short and Nelson B. Fry, Jr., elevated to senior vice presidents.

American: Houston D. Silliman, Chicago manager, elected a vice president. He heads the Chicago, Peoria, Milwaukee and Minneapolis sales force . . . Harold W. Barenz named director of operations planning. He has been with the airline since 1941 . . . Thomas B. Lynch, formerly with the American Society of Travel Agents, joins as public relations manager-sales programs.

Braniff: Don Fraser, recently stationed at Braniff's general offices in Dallas, appointed district sales manager in Colon, Panama.

Central: Robert G. Wagley, military interline agency sales manager, elected national vice president-territorial chairman of the National Defense Transportation Association for the Southwestern region of the United States.

Flying Tiger: Fred Benninger, executive vice president-treasurer, elected to the board of directors. He has headed the carrier's treasury department since 1946.

Frontier: Edward F. Dolansky appointed vice president finance-treasurer.

National: Robert S. Grant named vice president-customer service. With National since 1951, prior to that he had served for 14 years with American . . . John W. Colthar becomes vice president-schedules. He had been with American for 23 years before joining National in 1959 . . . John G. Brinckerhoff, formerly district sales manager in Boston, moves to New York on appointment as northern area manager. He will be responsible for all sales and service activities in New York, Newark, Philadelphia, Boston and Providence . . . H. J. Grathwol, Jr., named central area manager in Washington, D. C., his recent post in Washington having been district sales manager . . . Robert W. Davis appointed cargo sales manager for the Western division. He was previously associated with Seaboard Steamship Corp., and Emery Air Freight . . . Robert Cooper named director of stations. He joined the airline in 1946.

Pan American: Clyde E. Miller appointed station manager for the new operations at Tampa International Airport. His service with Pan Am started in 1943 in Miami.

Riddle: Morten S. Beyer named vice president, with duties in the Washington, D. C., offices. He will continue to hold the post of assistant to the president . . . Frank Siwicki, formerly with Flying Tiger, becomes district sales manager in Chicago . . . Frank G. Clain, Sr., half of whose 20 years of transportation and traffic experience have been spent with Flying Tiger, joins as district sales manager in Newark, N. J. . . . Angel R. Kerkado named district sales manager in San Juan, Puerto Rico . . . New sales representatives in San Juan are Pete G. Sosa and Theodore Haile . . . Clark Hoffman assumes management of the cartage service in Puerto Rico . . . William F. Schwartz named representative in Chicago . . . Peter Walter McTigue named sales representative in Boston . . . Edward Ackleson, formerly sales representative in Philadelphia, transferred to Indianapolis on appointment as district sales manager . . . Ron Pivarnik named senior sales representative in Philadelphia. He was previously in Indianapolis.

Seaboard: Jerold W. Wilwerding becomes Western regional manager, with general offices at San Francisco International Airport. Associated with the all-cargo carrier for nine years, he served most recently as manager-eastbound sales in the New York general offices.

South Pacific: Malcolm McDonald, formerly sales manager, elected vice president-traffic. He joined South Pacific in 1959 after nearly 10 years with Pan American in the Far East.

Trans-Texas: Max A. King appointed director of traffic and sales. During his 20 years in the airline industry, he has served with Pacific, Pan American and United.

← *Left to right*

Row 1—Woolman (Delta); Davis (National).

Row 2—Colthar, Grant (National).

Row 3—Grathwol, Brinckerhoff (National).

Row 4—Wilwerding (Seaboard); Bennington (Flying Tiger).

Row 5—Ganci (Air France); Dwyer (AEI).

Row 6—Kennedy, Hooper (AEI).

FOREIGN AIRLINES

Air France: Paul Ganci promoted to assistant cargo sales manager. His nine years' experience in the field of international air cargo has included associations with SAS and KLM . . . James Cameron appointed district manager of Air France-TAI in Buffalo . . . William Dion becomes district manager of Air France-TAI in Hartford.

BOAC: W. J. Reardon Shepherd appointed deputy sales manager-USA. An airlines veteran, he entered the field in 1945 as British South American Airways' Brazilian manager . . . Robert H. Trench Thompson, formerly the British airline's United States manager, returns to London to take up an appointment in the corporation's headquarters. He joined Imperial Airways, BOAC's predecessor, in 1937 . . . Leslie G. S. Hyland appointed acting manager-USA.

Ethiopian: G. K. Hills, former director or flying, promoted to flight operations manager . . . Palmer C. Simpson, director of maintenance, appointed technical services manager. He joined TWA in 1946, switching to the African airline in 1954.

Indies Air: Robert B. Forrest elected president and general manager . . . Lyman Ayres and Edward J. Bindley elected directors.

Irish International: Pat Hyde appointed special sales representative for Western Canada. Prior to joining Irish in 1959, he was with BOAC in Canada. He is succeeded as district sales manager in Toronto by Shaun Mayne, who has stacked up 18 years of service with the Irish carrier.

JAL: Donald J. Peterson named district sales manager in Dallas.

KLM: John J. Lenehan transferred from New York to Hartford on his appointment as sales representative for freight and passenger commercial accounts.

Lufthansa: Joachim Schulz-Werner named public relations manager in Cologne.

Qantas: Rowan E. Waddy, for the last three years New York manager, appointed manager in Honolulu. Harry G. Plant,

previously sales manager in the U.K. and Europe, succeeds Waddy as manager in New York.

FORWARDERS-AGENTS

Air Express International: Gordon B. Dwyer transferred from Australia where he served as AEI manager, to Los Angeles on appointment as sales manager for Southern California. In his long experience as an air freight executive, he has held key positions with BOAC and Pan American . . . George Leonard Hooper, for the past 12 years with Qantas, joins as district sales manager in Melbourne, Australia . . . John Kennedy moves up from sales manager to manager for Australia and New Zealand . . . Jack C. Salcedo named Newark district manager. He comes to AEI from Westfair Air Service.

Peter A. Bernacki: William Navigato, previously with Slick and AEI, joins as Chicago manager.

General Air Freight: Wendell E. Robb appointed Western Region vice president, headquartered at Los Angeles . . . Lawrence Fischer named sales manager, with offices in New York . . . Harry T. Cole, formerly with National Airlines, joins the Eastern regional sales staff . . . Frank E. Hasenauer, recently Los Angeles cargo sales manager for Sabena, joins the Western regional sales staff.

REA Express: C. E. Woolman, president and general manager of Delta Air Lines, elected a director. He is the first non-railroad official elected to the board of REA Express, wholly-owned since 1929 by the nation's major railroads. Because of REA's indirect air carrier status through Air Express service, Woolman's directorate is subject to approval by the Civil Aeronautics Board.

INDUSTRIAL TRAFFIC

Babcock & Wilcox Co.: Theodore E. Jasin named general traffic manager of the Boiler Division.

Munsingwear, Inc.: George H. Olsen named traffic manager.

Wilson & Co., Inc.: Hugh J. Owens named general traffic manager. John P. Zumwalt succeeds Owens as assistant general traffic manager.

Federal Enameling & Stamping Co.: Howard A. Geiz appointed general traffic manager.

E. J. Korvette, Inc.: Robert J. Van Liew takes the new post of director of transportation.

General Tire & Rubber Co.: Richard E. Ridle upped to assistant general traffic manager.

PURCHASING

Hyster Co.: L. J. Levisee becomes director of purchases, a newly established position.

MARKETING

EDP Corp.: Lars C. Hanson appointed manager of marketing.

Hyster Co.: Harvey Raasch named director of marketing for all of the company's European operations. Paul Fischer suceeds Raasch as managing director of Hyster N.V. in Nijmegen, Holland. William Oetinger takes over Fischer's previous duties as assistant manager of the Portland, Oregon plant.

GOVERNMENT

Federal Aviation Agency: Effective in January, John M. Beardslee appointed assistant administrator for the Central Region, and Robert I. Gale named assistant administrator for the Hawaiian Region. The appointment of Henry L. Newman as deputy assistant administrator of the Central Region was effective last month.

ORGANIZATIONS

National Small Shipments Traffic Conference: Hugh H. Hardwicke elected president at the annual meeting held in Chicago.

FACTS & FIGURES

U. S. AIRLINES

ALLEGHENY

Reporting for the months of September and October, Nelson B. Fry, vice president, stated that successive new cargo highs were established. September brought 1,915,000 pounds of freight, express, and mail; October, approximately 2 million pounds.

AMERICAN

In September, and again in October, the transcontinental airline established freight records for a domestic air carrier. A total of 11,653,000 ton-miles was flown in September, 9% over September, 1960; and 13,237,000 ton-miles in October, 18% higher than the same month a year ago.

Freight ton-miles for the first nine months totaled 89,868,000, 7% over the nine-month figure in 1960.

NATIONAL

Freight ton-mileage in September was reported by O. M. Foxworth, Jr., general manager of cargo, at 1,280,874. He said that most of the 86% increase over the September, 1960, total was due to the airline's new all-cargo service between Florida and California. He emphasized that the New York-Florida route showed a gain as well.

NORTH CENTRAL

John S. Minerich, manager-cargo administration of the local service air carrier, reported a record total of 850,395 pounds of freight in September, way over the 493,-645 pounds boarded in the same month a year ago. This is a new month's record, and for the first time puts freight volume above express volume handled by North Central. Express poundage handled in the same month was 813,562, as against 754,-308 in September, 1960.

RIDDLE

Robert M. Hewitt, president of the all-cargo airline, reported a net profit for the first quarter ended September 30, of $1,-041,433.

SEABOARD

Reporting on the third quarter, Richard M. Jackson, president of the transatlantic all-cargo airline, indicated a net loss of $833,000, as compared with a loss of $1,-157,000 in the same quarter a year ago.

TWA

Record-breaking months are reported for September and October by Samuel C. Dunlap, vice president-cargo sales and market development. Leaping 39% over the September, 1960, total, TWA registered 5,785,-000 domestic ton-miles. Internationally the airline established a 30% gain. No total was given for the latter. October international freight ton-mileage was reportedly 48% higher than the same month last year.

UNITED

Freight ton-miles in September increased 27% over the same month a year ago, to 9,326,000; express ton-miles rose 19%, to 1,442,000.

RATE FILINGS

(Continued from Page 8)

ger's rates in the 100-4,999-pound range by reason of the fact that Tiger has no weight breaks between 100 and 5,000 pounds.

"United has also submitted rates meeting American's tariff for off-peak service. United's off-peak rules are identical to American's, except that the traffic is tendered to the carrier at the point of origin whereas American refers to airport of origin. American has filed rates meeting United's basic proposals. The tariffs of both carriers contain rules which would prevent conflict between their off-peak rates and the rates applicable for standard service."

Referring to the complaints against the two carriers' tariff proposals, filed by Tiger and a number of forwarders, the Board stated:

"The complaints against United's proposals assert that the rates for commodity Groups 555 and 565 are below the carrier's operating cost, and therefore economically unsound, that they would not generate a significant volume of new traffic, and would weaken the financial stability of the entire industry. Finally, it is alleged that the volume discounts are inadequate.

"Upon consideration of the matters of record, the Board finds that the off-peak tariffs and rates for Groups 555 and 565 proposed by American and United to apply to westbound carriage of the commodities listed in the appendix hereto may be unjust or unreasonable or unjustly discriminatory or unduly preferential or unduly prejudicial, and should be investigated. The margin between the rates proposed for off-peak service and those applicable to standard service appears much greater than warranted by the difference in quality of service. In our opinion, this disparity would present a serious danger of uneconomic diversion of traffic and of unwarranted dissipation in carrier revenues. The off-peak service is analogous to the deferred service in that it is on a space-available basis and the rates are also practically on the same level. However, the off-peak service would not be subject to delivery restrictions as has been the case with deferred freight service, but would be offered on a materially more expedited basis and accordingly lacks the distinguishing characteristics to warrant the discount proposed.

"It is our belief that the utilization of off-peak capacity is to be encouraged because such utilization offers the possibility of significant economies. This has been recognized by the carriers for a number of years in the passenger field. It may be, as American alleges, that the artificial postponement of delivery is not desirable because of the cost of warehousing and other operations which such postponement involves. However, we are of the opinion that a reduction of more than 40%, as here proposed, is excessive for a service that may be at most 24 hours slower than standard service.

"The rates proposed under Groups 555 and 565 will apparently cover the predominant portion of United's westbound traffic, and are substantially below current rates or rates here proposed in this direction for such broad application. We recognize that the same rate level is now in effect westbound for certain of the commodities included within these two Groups. However, United would extend their application to encompass many additional commodities (set forth in the attachment hereto) for which the rates ap-

pear uneconomically low. We can find no basis upon which to justify a reduction in westbound cargo rates in the magnitude and scope here proposed. In view of the significant dilution of carrier revenues which might ensue from both the off-peak rates and the westbound application of Group 555 and 565 rates to those commodities set forth in the attachment hereto, the Board has further concluded to suspend those portions of the tariffs and defer their use pending investigation."

An order instituting an investigation of the tariffs followed.

In American Airlines' complaint against Tiger, it said that the Board had approved the latter's tariff proposal on "assumed facts which have since proved to be erroneous—namely, that Flying Tiger would place in service by October 31, 1961, a new low-cost airplane, the CL-44, which could economically transport freight at reduced rates proposed by that carrier." It added that the plane will not be in service until "sometime in 1962," and that "in the meantime, the industry's whole freight rate structure, the structure under which carriers must try to earn a living, is based on the promised economics of an operationally nonexistent airplane." American claimed that the rates should be eliminated until the CL-44 is operating.

American further claimed that studies have indicated that CL-44 costs will be higher than those originally estimated by Tiger. However, it was not seeking to overturn the Tiger tariff permanently, it told the Board. American believes it can remain "competitive with Tiger while maintaining its per ton-mile revenues at their existing levels." It pointed out that United Air Lines, "goaded by the Tiger filing . . . filed a tariff revision offering the 12-14¢ per ton-mile rates to a broad list of specific commodities." American said that it was forced, for competitive reasons, to follow suit.

As to TWA's rate proposals, it tagged them as "an attempt to meet the rates filed initially by Flying Tiger Line and met, in part, by filings by United and American.

"Trans World, however, has not been content just to meet this competition," American declared, "but has proposed even lower rates for westbound shipments."

It called these rates "unjust and unreasonable," and said that no carrier—especially TWA, which had lost $12.7 million in the first nine months of 1961—can afford to absorb additional losses in revenue.

Airborne Freight Corp., one of the largest air freight forwarders in the nation, charged that Tiger, saddled with "some $55 million worth of new and untested aircraft," found it necessary "to commence a campaign to mesmerize the American shipping public and the Civil Aeronautics Board."

Continuing in this acrimonious vein, the San Francisco-based forwarder said:

"With all of the acumen of a sideshow barker, they called 'Hurry, hurry, hurry and come see the big show.' They produced a statistical study and theories enough to lead the shipping public and the Civil Aeronautics Board to believe that a magical cost breakthrough was imminent. When Flying Tiger Line's folly was pointed out by direct and indirect carriers before the Civil Aeronautics Board itself in the oral argument of the Minimum Rate Order Case on Friday, August 4, 1961, the Tigers, speaking through their learned counsel, cautioned the Board not to heed the admonition of these direct and indirect carriers who cautioned the Board to wait and see if the CL-44 really performed as promised before it eliminated the rate floor and plunged the industry into another rate war. The Tigers claimed their CL-44 had made two or three trips and was doing wonderful things. The Tigers convinced the Board there was no imminent rate war; there would be great new air freight capacity with the CL-44; there was a lower cost level projected for these new types of turbo-powered aircraft; that a significant increase in air freight volume must be developed to utilize efficiently the air cargo capacity which was soon to be available. The Tigers told the Board that if it failed to eliminate the Minimum Rate Order, their blood would be on the Board's hands. The Board, listening to Tiger's melodramatic appeal, accepted Tiger's word for the conditions then prevailing and on August 28, 1961, in Order No. E-17370, adopted Tiger's position and gave them the regulatory climate requested."

Airborne cited the subsequent delay in the inauguration of CL-44 operations, due to "a staggering total of 42 modifications." Despite this, it said, Tiger was seeking "a further extension of its rate-reduction philosophy." (This was a reference to the airline's new filing of commodity rates, including electrical motors, carpets and

carpeting, and toys moving from the West Coast to various points in the East.) Airborne declared that the new filing must be considered in the light of aircraft used at the present time. It warned that if the proposed commodity rates were to become effective, it will become "a precedent for more and numerous so-called negotiated rates."

"Tigers, in their presentation of this tariff to the Board, has indicated it is for the purpose of obtaining additional freight which is presently moving by truck," Airborne stated. "The question at once becomes apparent that since the air carriers are currently charging more than this rate and still losing money on the operation of their aircraft, how can they hope to satisfy this rate on economic grounds by the mere statement that it is designed to increase freight revenue?"

The forwarder also pointed out that, in spite of its well-publicized rate formula based on the density of commodities, Tiger is proposing to negotiate a rate for electrical motors which are made in many sizes and shapes and manufactured from numerous materials. Airborne asked how Tiger can justify the 40% reduction on this commodity. (In another brief, it listed approximately 50 commodity descriptions which have been excepted from the class-rating system. Among these are cut flowers.)

Critical of Tiger's proposed spreads, Airborne claimed they are "not sufficient to compensate the forwarder for his cost of generating business of this type." It charged the airline with having virtually eliminated the mixed-consignment rule in order to prevent the forwarder from consolidating shipments on a profitable basis.

Continental Air Lines

A number of reduced rates for shipments flown between Chicago and Los Angeles have been suspended for investigation by the Civil Aeronautics Board (*November 1961 AT; Page 30*). Affected portions indicated by the Board are:

"On twenty-seventh twenty-eighth and twenty-ninth revised pages 131 of Agent B. H. Smith's Official Air Freight Specific Commodity Tariff No. 5-B, (CAB No. 12), the rates from Chicago to Los Angeles via routing 'CO' only insofar as they apply on the following commodities in commodity group No. 33:

"Advertising matter, store or window, excluding ink, pencils, pens, pen refills and parts of pencils or pens.

"Clothing and footwear, not on hangers or racks, and excluding hats or millinery.

"Decorative greens, excluding cut flowers.

"Nursery stock, namely, trees, shrubs, or vines, grown in the field, excluding growing plants in pots or tubs and rooted cuttings.

"Photographic or projection instruments.

"Textile articles, viz.: Awnings, bags, bandaging, batting, bed clothes, belting, curtains, draperies, floor coverings, furniture coverings, hammocks, napkins, netting, padding, sails, sailcloth, table coverings, tapestries, tents, toweling, upholstery cloth, and wall coverings.

Delta Air Lines

Delta's proposed door-to-door rates on deferred freight airlifted between Los Angeles, New Orleans, and points in Florida have been turned down by the CAB. The rates were judged to be in violation of the Economic Regulations. At the same time, the complaint filed by National Airlines against the rates was dismissed.

Riddle Airlines-Allied Air Freight

Suspension and investigation of Allied Air Freight's rates applying to the air transportation of newspapers between New York City and points in Florida, have been requested by Riddle Airlines. According to the all-cargo airline, the rates, which are 27% below those of any other air carrier, would bring a financial loss to the forwarding firm. Riddle charged that Allied is seeking to wean away *The New York Times*, "the largest single newspaper in the market involved," from the airline which is servicing it at the present time. It accused the forewarding firm of desiring to gain control of newspaper shipments through the use of "uneconomical rates," and offering the traffic to an airline which would be willing to cut rates to a point where Allied could make money at its filed rates."

NEW EQUIPMENT

FOR THE

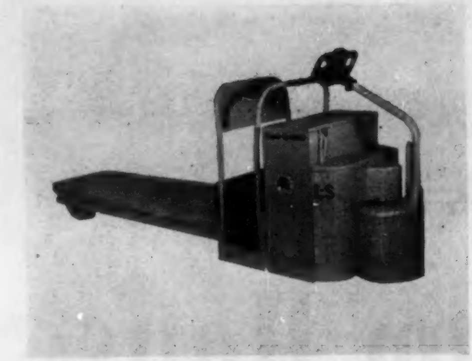
Shipper & Carrier

A new type of strapping for use in binding palletized materials for inter-plant handling, storage or transportation, has been introduced by the Cambridge Wire Cloth Co. Called Gripper Flexible Metal-Mesh Strapping, the new assembly is said to offer many advantages over steel strapping or other binding methods. Its makers claim that it is easy to rig and unhitch, offers excellent load protection, and will reduce handling costs because it is reusable.

The assembly consists of a pair of metal mesh strapping sections with plate attachments at one end for permanent bolting to a pallet. On one of the free ends there is a handle with a piece of nylon strapping attached. To bind material in place on the pallet, the nylon strap is inserted into the ratchet tightening buckle, and tension is applied simply by moving the tightening buckle handle back and forth by hand. In this manner, it is possible to apply as much as 1,000 pounds tension on the assembly. To unhitch the assembly, a release button on the ratchet is pressed and tension is immediately released. To eliminate the possibility of the palletized material cutting through the nylon strap, a piece of metal-mesh strapping, attached to the nylon strap handle, lies in place between the nylon strap and the material. Cambridge said that the design can be modified to meet many special requirements.

The Midwest Foam Products Co. has made available custom-made, reusable urethane foam packaging for delicate electronic parts and other equipment. It was pointed out by the manufacturer that the Micro-Switch Division of Minneapolis-Honeywell Regulator Company has shipped four million fragile mercury switches in Midwest's urethane foam packages with not one case of breakage during packaging operations. With conventional packaging materials, Micro-Switch had experienced considerable breakage which resulted both in a total loss of the switches and the creation of a potential hazard because the shattered units released a toxic form of mercury.

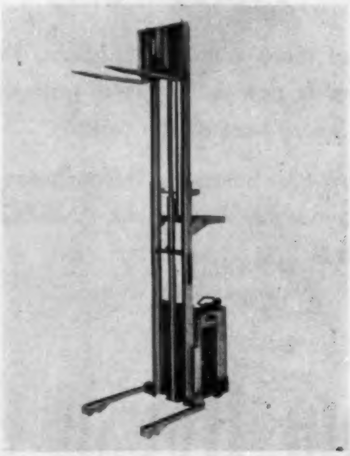
Midwest eliminated the breakage by designing the foam packages to give full cushioning, facilitate automatic counting and provide a maximum safety margin for shippers handling the product. The maker calls urethane foam a "superior packaging material because of its outstanding cushioning, vibration dampening, shock absorption and thermal and acoustical insulation properties." Urethane foam packaging units are reusable, giving great economies over conventional packaging materials which rapidly shred, tear and deteriorate. It is not affected by heat up to 350° F., or any degree of coldness and moisture, and resists most solvents and chemicals, mildew, rot and vermin. A company executive called the foam packaging "virtually indestructible under normal shipping conditions."



Lewis-Shepard StanDrive

A rider-type walkie truck equipped with a StanDrive operator's compartment for order picking, movement of supplies or servicing of equipment where both walkie operation and long runs are required, has been developed by Lewis-Shepard Products, Inc. It features two speeds in either direction, high and low, plus an additional selective overdrive when riding, for fast traction speeds over long distances. Both platform and pallet style designs are offered with the StanDrive feature, the manufacturer stated.

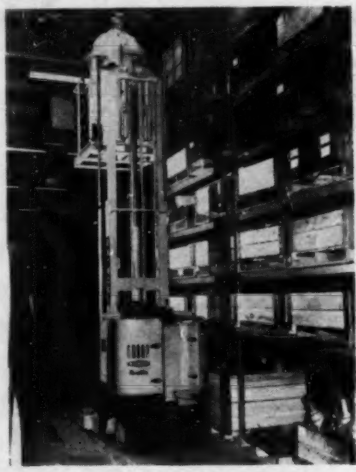
The Raymond Corporation's current line of 2,000- and 3,000-pound capacity electric straddle trucks feature a new "clean" look as well as more than 30 engineering improvements, it was announced. Restyled, with open masts, the new models feature full "picture window" visibility. At the same time the overall weight of the uprights has been reduced 10% to lessen the dead weight load of the truck, to increase its efficiency, and lighten the drain on the battery. In addition, a new high pressure hydraulic system increases lifting speeds and allows the use of smaller diameter rams. Nested mast sections are compact. Control and steering handles have been redesigned for safety and greater ease in operation. A better ratio between collapsed and elevated heights has been worked out



Raymond's new "clean" look

to provide maximum lift even when low masts are required to enter trucks and low doorways. Despite the changes, the new models continue to feature narrow aisle operation and will operate in aisles as narrow as six feet.

Raymond also has introduced its Hy-Drive electric truck. This provides a second set of controls located on the elevating



Raymond Hy-Drive

carriage, which allows the truck driver to leave his conventional operating station, step onto the elevating platform and elevate himself to any height necessary to work in the higher areas. If he wishes to move the truck, while it is elevated, power steering enables him to do so. Built-in safety devices include controls which govern the travel speed and limit the elevated height from which the Hy-Drive unit can be operated. A "dead man" pedal applies the brakes and cuts all electrical circuits when the operator leaves his normal steering position. When the platform controls are not in use the truck can be used in normal pallet handling operations.

Flexible roller curve units for switching conveyorized items onto spur lines left, right, or straight ahead have been introduced by the Rapids-Standard Company, Inc. Models for three-way, Y, or spur switching are available. Units connect to gravity or power conveyors and are operated by hand, or by motor from remote locations.

The Rapistan three-way switch model will divert materials from a common carrier 45 degrees left, right, or straight through. Also, material from any three lines can be channeled onto a common line. The Y switch diverts materials to right and left spur lines only. Spur switch model has straight-through and either right or left hand position turn. Curve units are for 12", 18", or 24" conveyors.

BOOKS

George Adamski, author of **Flying Saucers Farewell** (Abelard-Schuman, Ltd.; 190 pages; $3.95), is positive there are space men from other worlds among us. (In an earlier book he claimed having met a man from Venus.) He even points to many references in the Bible which report "space visitations." As for the planets within our system, they are all inhabited, Adamski says. This new book, therefore, is the author's new philosophy for the Space Age. If it's meant to show us a way out, we are afraid it will take more than *Flying Saucers Farewell* to turn the trick. But we found it fascinating reading, nevertheless.

Now the prolific Martin Caidin has come through with **Cross-Country Flying** (E. P. Dutton & Co., Inc.; 253 pages; $4.95), which is a personal account of a transcontinental aerial journey (all 48 continental states!), the fun involved in it, and a wealth of tips if you're of a mind to follow suit. Caidin's chatty style makes his book extremely readable. He also provides a glossary of air-traffic control terms, as well as photos by James Yarnell and drawings by Fred L. Wolff.

Civil Aircraft Recognition (SportShelf; 64 pages; $1.00) contains a collection of photographs and silhouette drawings of air transport types regularly seen in the United Kingdom. Includes private and executive aircraft as well as commercial airliners. Compiled and described by J. W. R. Taylor.

With pleasure—and it easily can be yours, too—we suggest that you pick up not one, but all three volumes of an exceptional set of travel books, **This is London, This is Edinburgh,** and **This is Paris** (Macmillan Co.; 60 pages; $3.00 each). The simple text might point these volumes in the direction of young people, but the enchanting art of Miroslav Sasek which fills the pages entitle them to be perused and enjoyed by people of all ages. We delighted in them; we guarantee that you will as well.

Also for your prime attention are two additional little volumes in the Panorama Series—**Sweden** and **Mexico** (French & European Publications, Inc.; 62 pages; $2.75 each). Thirty gorgeous color plates are sandwiched between interestingly written introductions and well-detailed descriptions of the photographs. *Sweden* was authored by Kurt Drost, with the introduction by Erik Sjogren; *Mexico*, by Gerd Dorner, with the translation by Gladys Wheelhouse. Not these two books alone, but all those in this fine series on the world's places merit representation in your library.

Then there's the Terra Magica Series. We've just finished giving two books in this series, **Ireland** and **Greece** (Hill & Wang, Inc.; 102 and 103 pages, respectively; $6.50 per copy, slipcased) a thorough reading—and even a re-reading, which both richly deserve. Each possesses between its covers rich photographic reflections of the land: penetrating studies of the people, the way of life today, striking glimpses of an ancient heritage, and the natural beauty of the country. *Ireland's* text was written by Peter Schünemann, and the photographs principally by Hannes Betzler and Horst Munsig. Johannes Gaitanides penned the text for *Greece;* with the photographs contributed by a long list of artists, most prominent of whom are Pitt Koch and C. L. Schmitt. Each volume is a joy to peruse.

We commend to the reader a unique world history by Michael Rheta Martin and Charles Crowe. Bridging the Age of Exploration with the Age of Space, **Picture History of the Modern World** (Little, Brown & Co.; 454 pages; $5.95) provides a concise and profusely illustrated approach to modern history, which is immensely readable. Starting with the 15th Century (the authors make it clear that Columbus was not the first European to reach America), the whole panorama of the five centuries is unfolded in admirably clear-cut style, right up to President Kennedy, the New Frontier, and the orbiting of Major Yuri Gagarin. Excellent pen-and-ink drawings by Carl Pfeuffer. Introduction is by Prof. Geoffrey Bruun.

Just the thing to solve this season's (or any season's) gift-giving problems—**The Best of Best Cartoons** (Crown Publishers, Inc.; 192 pages; $4.95). Lawrence Lariar, editor of this fine collection, has produced what he considers to be the best rib-tickling productions of the most popular cartoonists since 1942—and who are we to disagree with his choices? We've smiled, chuckled, and roared outright at all of them. The cartoons start out with the war years, wade right through the hectic postwar period, and bring us smack into the Soaring Sixties. A short but interesting preface by Stephen Longstreet is included.

Robert Wilder's novel, **Plough the Sea** (G. P. Putman's Sons; 416 pages; $4.95) hits the bullseye—not because it is a great literary work, but, more accurately, because it is a well-plotted, well-timed, thoughtful book. What with Castro and Trujillo in the headlines these past months, Wilder's island San Rafael, under the heel of U. S.-born Jorge Ojeda (The Benefactor), is naturally and deservedly lifted in interest. The strongest and most vital part o *Plough the Sea* is that which deals with the issues of a smoldering revolution and its eruption, issues which touch on U. S. attitudes with which we have become increasingly familiar. *Plough the Sea* deserves best-seller status.

The white plume of the title of Samuel Edward's historical novel is atop the "helmet of burnished steel" of Prince Rupert of Bavaria, hero of a swift-moving tale. **The White Plume** (William Morrow & Co.; 314 pages; $3.95) actually is a fictional biography of the unusual 17th Century figure, tracing a full life, from a teen-ager leading 500 men to battle, through a gamut of military, political, intellectual, and, of course, romantic trials, to a position of great honor in Restoration England. Light, pleasant diversion.

In France, Jeanne Montupet's novel was known as *La Fontaine Rouge*, and did right well. As a matter of fact, someone referred to it as the *Gone With the Wind* of Algeria. Well, **The Red Fountain** (St. Martin's Press; 336 pages; $4.95) does not quite merit the comparison; but this is not to imply that this story of Algeria of 125 years ago lacks the qualities which underscore a well-told tale. For the author has written a vividly dramatic story of an area of North Africa she knows well, and about the members of a dogged family of settlers who fight against human and physical odds to carve out a life for themselves in a barren land. Her writing generates authentic excitement at times; there is enough drama and action to support it. An important by-product of this book is perhaps some deeper insight into what motivates the extremist actions of the Algerian *colons* today.

John Berry is, of course, a highly unusual man; his *Krishna Fluting*, which won for him the Macmillan 1st Annual Fiction Award, proved that. With **Flight of the White Crows** (Macmillan; 189 pages; $3.95), a collection of tales, he has reaffirmed the subtle brilliance of his literary quality. All of the stories but one are set in India and Tibet. One called *The Listener* is set in Iceland—it is, by the way, memorable in its simplicity, its utter sureness. Occasionally Berry strikes this critic as being rather too aware of his own cleverness, though this may be an ungenerous thing to say of an author so loaded with talent, perception and feeling.

The numbered paragraphs on this page correspond with the numbers appearing in the prepaid order card attached here for your convenience. To order one or more pieces of literature, or other types of materials, at *absolutely no charge to you or your firm*, just encircle the corresponding number in the order card, fill in the required information, and mail it in. *Air Transportation* will do the rest of the job.

57 A manufacturer offers a helpful two-color, eight-page booklet, *How to Select a Pressure Sensitive Tape*. Contains a wealth of interesting and valuable information on the types of tapes available, how they are constructed, and the factors involved in choosing a particular tape for a specific application. A full page deals with trouble-shooting problems concerned with tape failures.

59 *20 Tested Methods to Improve Packing and Shipping Operations* is the title of an "idea" booklet geared to help management increase efficiency and cut costs of its packing and shipping operations. Includes chapters on safety, savings, product protection, proper maintenance of equipment and lists, and suggests several new techniques in packing and shipping. A useful guide to industry management in bringing its shipping room operation up to peak efficiency.

61 Electric-powered pallet and platform lowlift walkies equipped with fingertip control of all operations with an exclusive Roto Cam control handle are outlined in a six-page circular put out by a materials handling equipment firm. Complete specifications on 4,000 pounds and 6,000 pounds capacity pallet and platform models, description and illustrations on hydraulic and electric systems given.

62 A leading air freight forwarding company has made available a particularly valuable map-chart in full color. Handsomely printed on both sides, it contains a map of the United States as well as a map of the world, each showing air routes to key points. Dimensions: 28" x 22½". Especially worthwhile for traffic managers, exporters, importers, purchasing agents, and other business executives.

Please Note

Items are offered in Come 'n' Get It for three consecutive months. Added this month are items Nos. 72 to 75.

Items generally remain available for approximately three months after the last time of publication, but may be withdrawn earlier.

63 The complete line of electric industrial tractors manufactured by a leading material-handling company is described in a new six-page, illustrated bulletin. The line ranges from standard-driver-type tractors to electronic driverless machines for automated materials movement, and radio-remote controlled tractors.

64 *Automation for Profit* is an informative booklet in a spiral binder, containing case histories and descriptive literature on automated materials handling. It outlines briefly, by example, how many companies are realizing profits from automation of their materials handling and the equipment available for this purpose.

65 *Industrial Skin Packaging* is an eight-page booklet which provides an explanation of the skin packaging operation. Fully illustrated, it provides brief case histories which show how economy, adaptability, and shipping protection can be effected. Also detailed in the booklet are low-cost packaging, inventory control, product identification, etc.

66 *How to Save Labor Costs*, one of a series of excellent booklets on packaging produced by a manufacturer of corrugated containers. The booklet details the packaging process, showing how to do so with an eye on economy.

67 A well-known materials-handling equipment manufacturer has prepared a six-page illustrated case history which shows how a large food association mechanized its handling of foods, the results of this mechanization indicating an operating cost of only $1.92 per electric fork lift truck.

68 Here is the latest catalog of shipping room supplies. Includes tape dispensers, staples, safety knives, box openers, ink marking devices, price markers, measuring tapes, etc.

69 A manufacturer of protective fabrics has made available a packaging and materials handling manual which provides general guidance in solving difficult packaging problems. It explains one of its own systems which is designed to minimize and distribute impact shock uniformly throughout the entire surface of a package. Also describes latest techniques and applications of shrouding or general covering of shipment against the elements.

70 Always popular with readers of *Air Transportation* is the chart of U. S. parcel postal rates (air and surface) and related information. On the reverse side is a map of the United States and a special self-zoning mileage rule for determining postal zones. This has been prepared by a manufacturer of mail machines.

71 Here is the 24-page pocket-size cargo tariff of LAN-Chile Airlines. Contains rules and regulations, documentary requirements, transportation charges and rates, etc., pertaining to air shipments to and from points in the United States and South American cities.

72 Alitalia's new Air Cargo Destination Arrival Guide, effective November 1, 1961. Lists 124 overseas destinations, with the Alitalia aircraft arrival time and day for each point. Handy information for the shipper.

73 TWA's *Report to Shippers*, a colorful 12-page booklet which effectively shows how you can take advantage of air freight in this era of tough competition. In addition to presenting the airline's own air freight services, the booklet provides many interesting and valuable points for the domestic and international shipper.

74 Traveling businessmen will be interested in the newly revised booklet, *Guide to Better Hotels in South America*. Always popular with *Air Transportation* readers, it features a list of 112 of the top hotels, their rates, number of rooms, and type of service offered.

75 Sample copy of the *American Import & Export Bulletin*, monthly magazine devoted to international trade. Digest-size periodical covers customs regulations, international trade and transport news, import and export opportunities, foreign trade statistics, etc.